



CANADIAN APARTMENT  
PROPERTIES • REIT

# Second Quarter 2021

Results Conference Call

August 13, 2021



# 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 uncertainties are more fully described in CAPREIT's regulatory filings, including our Annual Information Form and 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 Managements' Discussion and Analysis of the Results of Operations and Financial Condition, all of which can be obtained on SEDAR at [www.sedar.com](http://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 condensed consolidated interim financial statements and audited consolidated annual financial statements in accordance with International Financial Reporting Standards ("IFRS"). In the 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 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 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 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 (loss) or cash flows from operating activities determined in accordance with IFRS as indicators of CAPREIT's performance or the sustainability of our distributions.





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**Mark Kenney**  
President & CEO



**Scott Cryer**  
Chief Financial Officer

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Thank you for joining us

# Another Record Quarter

*Three Months Ended*

**June 30, 2021**

|                                                |               |
|------------------------------------------------|---------------|
| <b>Operating Revenues</b>                      | <b>+ 4.1%</b> |
| <b>Net Operating Income (NOI)</b>              | <b>+ 6.0%</b> |
| <b>Stabilized NOI</b>                          | <b>+ 2.9%</b> |
| <b>Normalized Funds From Operations (NFFO)</b> | <b>+ 5.7%</b> |
| <b>Strong NFFO Payout Ratio</b>                | <b>59.8%</b>  |
| <b>NFFO per Unit</b>                           | <b>+ 4.3%</b> |
| <b>Weighted Average Units Outstanding</b>      | <b>+ 1.4%</b> |



# Performance Continues in 2021

| <i>Six months ended June 30,</i>      | <b>2021</b>     | <b>2020</b>     | <b>Change (%)</b> |
|---------------------------------------|-----------------|-----------------|-------------------|
| <b>Operating Revenues</b>             | <b>\$456.4M</b> | <b>\$436.0M</b> | <b>+ 4.7%</b>     |
| <b>NOI</b>                            | <b>\$298.4M</b> | <b>\$281.3M</b> | <b>+ 6.1%</b>     |
| <b>NFFO</b>                           | <b>\$196.0M</b> | <b>\$187.9M</b> | <b>+ 4.3%</b>     |
| <b>NFFO Payout Ratio</b>              | <b>61.0%</b>    | <b>62.8%</b>    | <b>↓ 1.8%</b>     |
| <b>NFFO per Unit (basic)</b>          | <b>\$1.135</b>  | <b>\$1.102</b>  | <b>+ 3.0%</b>     |
| <b>Weighted Avg. Units O/S (000s)</b> | <b>172,712</b>  | <b>170,397</b>  | <b>+ 1.4%</b>     |





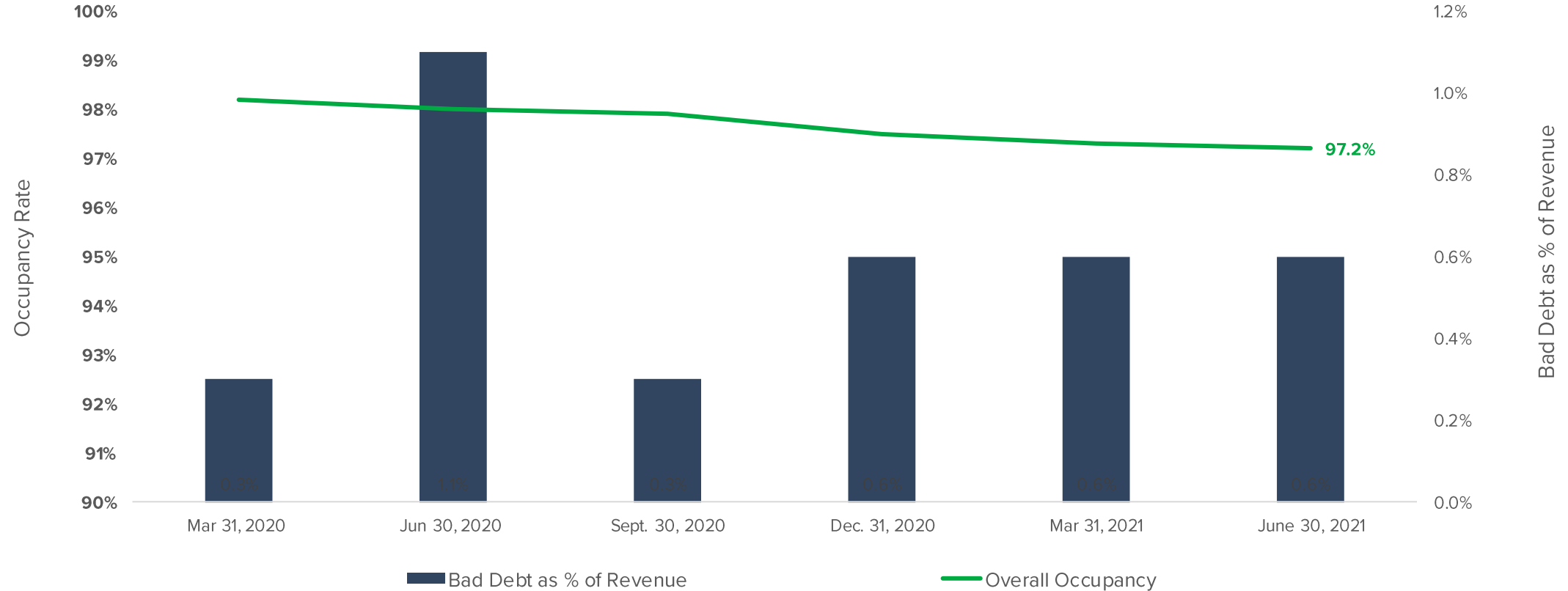
# Strong Stabilized Performance

| <i>Six Months Ended June 30,</i>                                            | <b>2021</b>    | <b>2020</b>    |
|-----------------------------------------------------------------------------|----------------|----------------|
| <b>Stabilized Occupancy: Residential Suites<sup>1</sup></b>                 | <b>97.5%</b>   | <b>98.6%</b>   |
| <b>Stabilized Occupancy: MHCs<sup>1</sup></b>                               | <b>95.9%</b>   | <b>95.8%</b>   |
| <b>Stabilized Net Average Monthly Rents: Residential Suites<sup>1</sup></b> | <b>\$1,291</b> | <b>\$1,275</b> |
| <b>Stabilized Net Average Monthly Rents: MHCs<sup>1</sup></b>               | <b>\$396</b>   | <b>\$386</b>   |
| <b>Same Property NOI Increase</b>                                           | <b>2.7%</b>    | <b>4.1%</b>    |
| <b>Strong Stabilized NOI Margin</b>                                         | <b>65.5%</b>   | <b>64.7%</b>   |

1. As at June 30, 2021



# Continuing Solid Occupancies





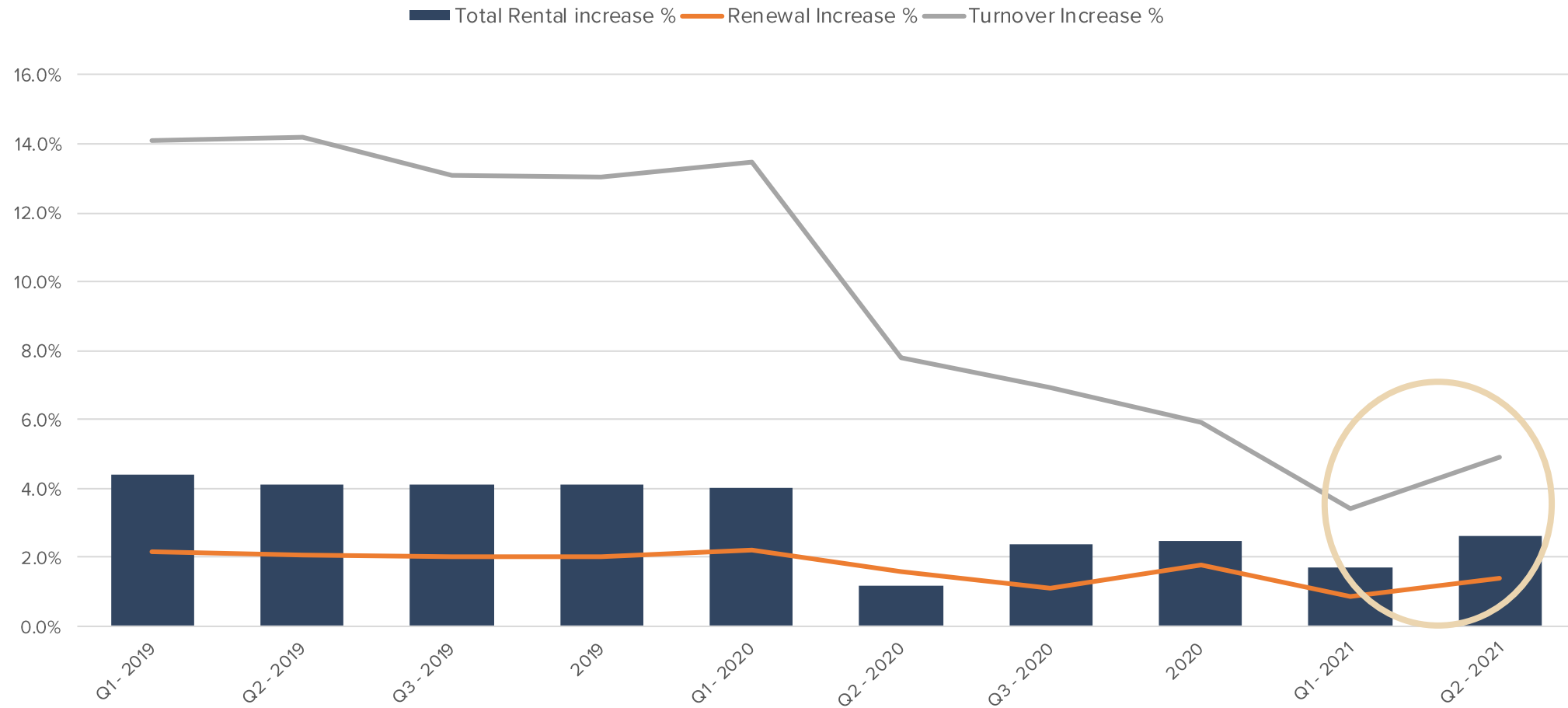
# Rental Growth Despite Pandemic

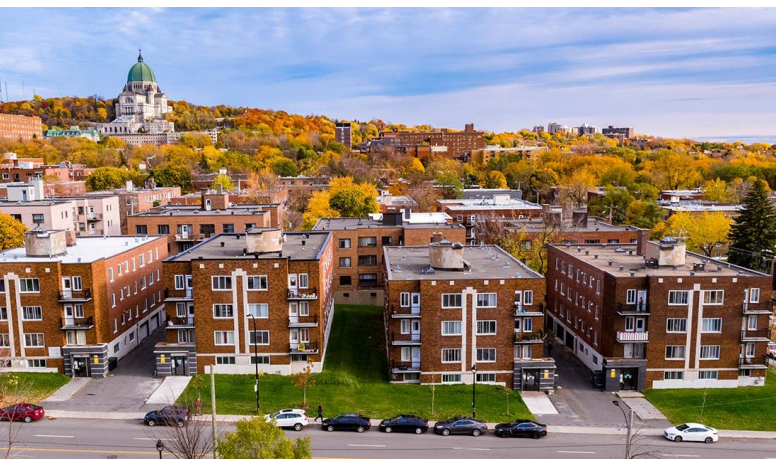
## Change in Rent - Canadian Portfolio

| Six Months Ended June 30,                  | 2021                   |                          | 2020                   |                          |
|--------------------------------------------|------------------------|--------------------------|------------------------|--------------------------|
|                                            | Change in monthly rent | Turnover & renewal churn | Change in monthly rent | Turnover & renewal churn |
| Suite turnovers                            | 4.2%                   | 9.4%                     | 10.4%                  | 7.2%                     |
| Lease renewals                             | 1.2%                   | 17.8%                    | 1.0%                   | 39.0%                    |
| Weighted average of turnovers and renewals | 2.2%                   |                          | 2.5%                   |                          |



# Canadian Residential Rental Increases





# Portfolio Growth Continues

Canada & Netherlands

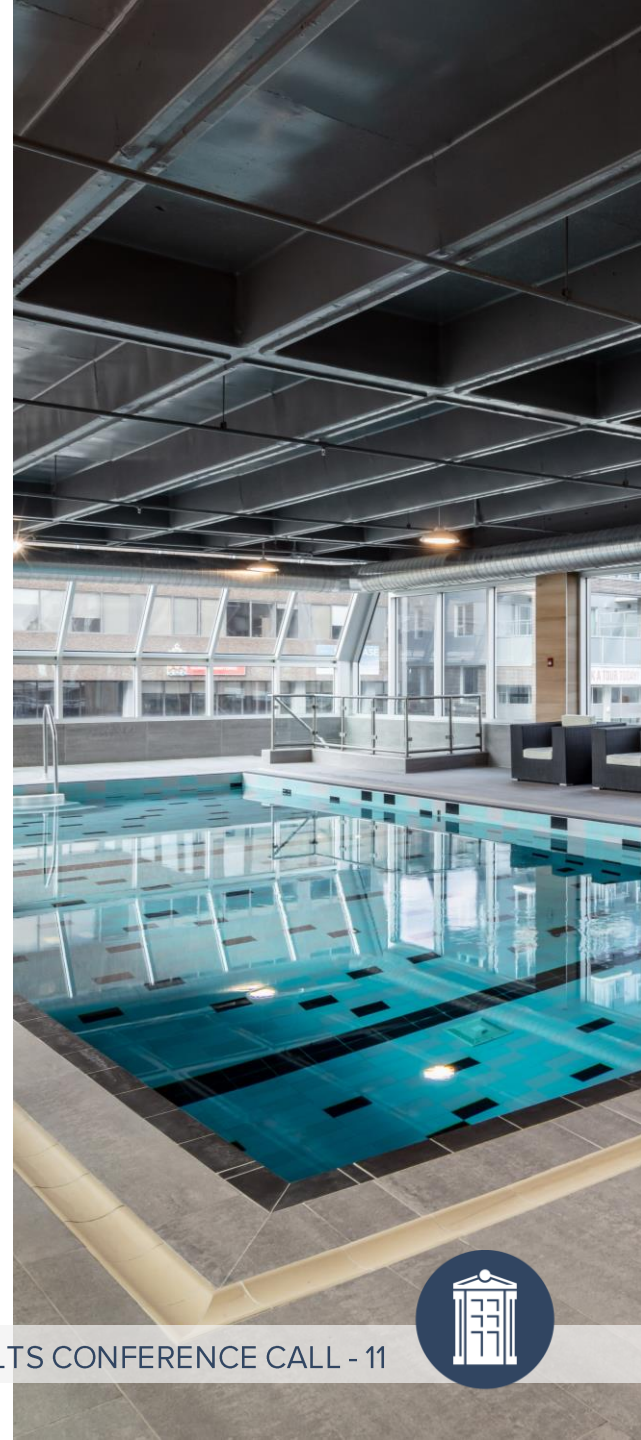
|                       | Suites & Sites | Cost    |
|-----------------------|----------------|---------|
| 2020 Acquisitions     | 3,262          | \$820 M |
| 2021 YTD Acquisitions | 2,001          | \$450 M |



# Investing to Grow NOI

| <i>Six Months Ended June 30,</i> | <b>2021</b>     | <b>2020</b>     |
|----------------------------------|-----------------|-----------------|
| <b>Suite Improvements</b>        | <b>\$45.1 M</b> | <b>\$27.6 M</b> |
| <b>Common Area</b>               | <b>\$30.5 M</b> | <b>\$17.9 M</b> |
| <b>Energy Saving Initiatives</b> | <b>\$9.8 M</b>  | <b>\$9.0 M</b>  |
| <b>Other<sup>1</sup></b>         | <b>\$8.3 M</b>  | <b>\$7.3 M</b>  |
| <b>Total</b>                     | <b>\$93.7 M</b> | <b>\$61.8 M</b> |

1. Includes equipment, elevators, MHC common areas



# Successfully Adapting to Pandemic

|                                                 |                                                                                                                                                        |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BAD DEBT LEVELS<br/>REMAIN VERY LOW</b>      | <b>0.6%</b> of total operating revenue                                                                                                                 |
| <b>STRONG RENT<br/>COLLECTION</b>               | <b>99%</b> of rents collected as at June 30, 2021<br><b>0.1%</b> residents on deferred rent program                                                    |
| <b>MAINTAINING CLOSE<br/>RESIDENT RELATIONS</b> | <b>3,000</b> Compassionate Care Calls per month<br><b>4,200</b> leases arranged in Q2 up from 2,400 in Q1<br><b>85%</b> of rent collection now on-line |





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**Scott Cryer**  
Chief Financial Officer

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# Strong Liquidity & Balance Sheet

CAPACITY TO GROW AND PROSPER

# Conservative Balance Sheet / High Liquidity

|                       |                                                                                                                                                                                                                                                                |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>36.4%</b>          | <b>Conservative Debt to GBV Ratio</b>                                                                                                                                                                                                                          |
| <b>\$ 373M</b>        | <b>Available in Cash &amp; Acquisition and Operating Facility</b> <ul style="list-style-type: none"> <li>• Repaid and closed the old credit facility</li> <li>• New credit facility for \$600M with longer term, lower margins and more flexibility</li> </ul> |
| <b>\$1,505M</b>       | <b>In unencumbered Canadian properties</b> <ul style="list-style-type: none"> <li>• \$900 million in financing (60% LTV)</li> </ul>                                                                                                                            |
| <b>\$900 - \$950M</b> | <b>Total expected mortgage refinancings and top-ups for 2021</b> <ul style="list-style-type: none"> <li>• Currently 1.8% – 2.4% for five and ten-year interest rates</li> <li>• Up-financing of \$540 million</li> </ul>                                       |
| <b>\$665M</b>         | <b>Re-financings &amp; top-ups in 2021 (excluding acquisitions)</b> <ul style="list-style-type: none"> <li>• Low weighted average 2.40% interest rate</li> <li>• Weighted average term of 9.7 years</li> </ul>                                                 |
| <b>\$513M</b>         | <b>Increase in Fair Value of CDN Portfolio YTD</b>                                                                                                                                                                                                             |



# Strong & Flexible Financial Position

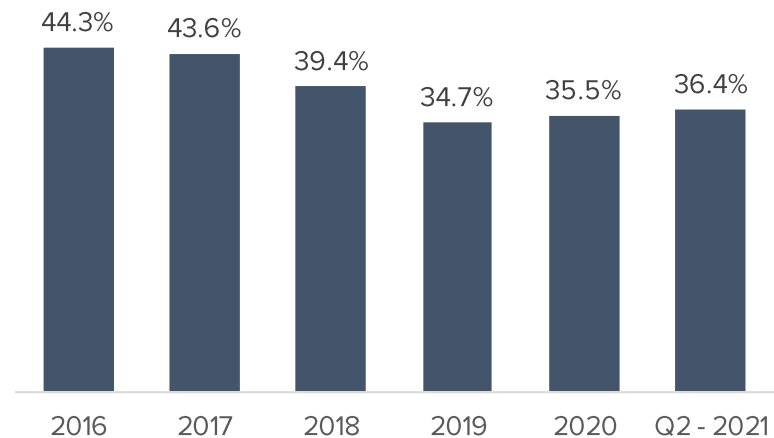
| <i>As at June 30,</i>                                       | <b>2021</b>  | <b>2020</b>  |
|-------------------------------------------------------------|--------------|--------------|
| <b>Weighted Average Mortgage Interest Rate</b>              | <b>2.53%</b> | <b>2.76%</b> |
| <b>Weighted Average Mortgage Interest Rate - Canadian</b>   | <b>2.74%</b> | <b>3.07%</b> |
| <b>Weighted Average Term to Maturity (years)</b>            | <b>5.77</b>  | <b>4.99</b>  |
| <b>Weighted Average Term to Maturity (years) - Canadian</b> | <b>6.2</b>   | <b>5.0</b>   |



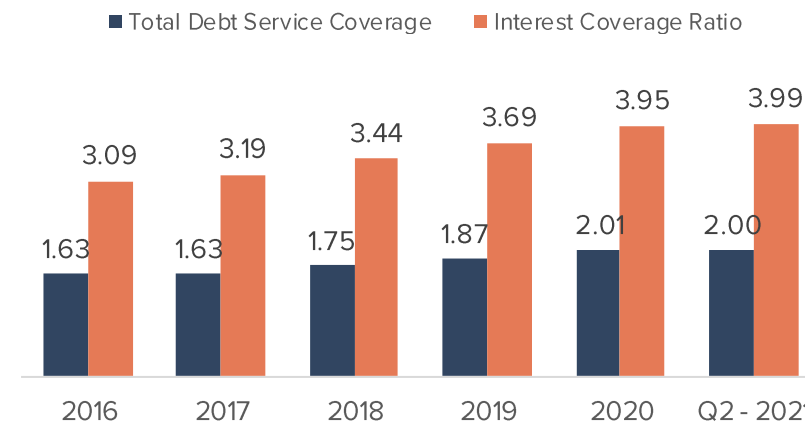


# Conservative Debt Metrics

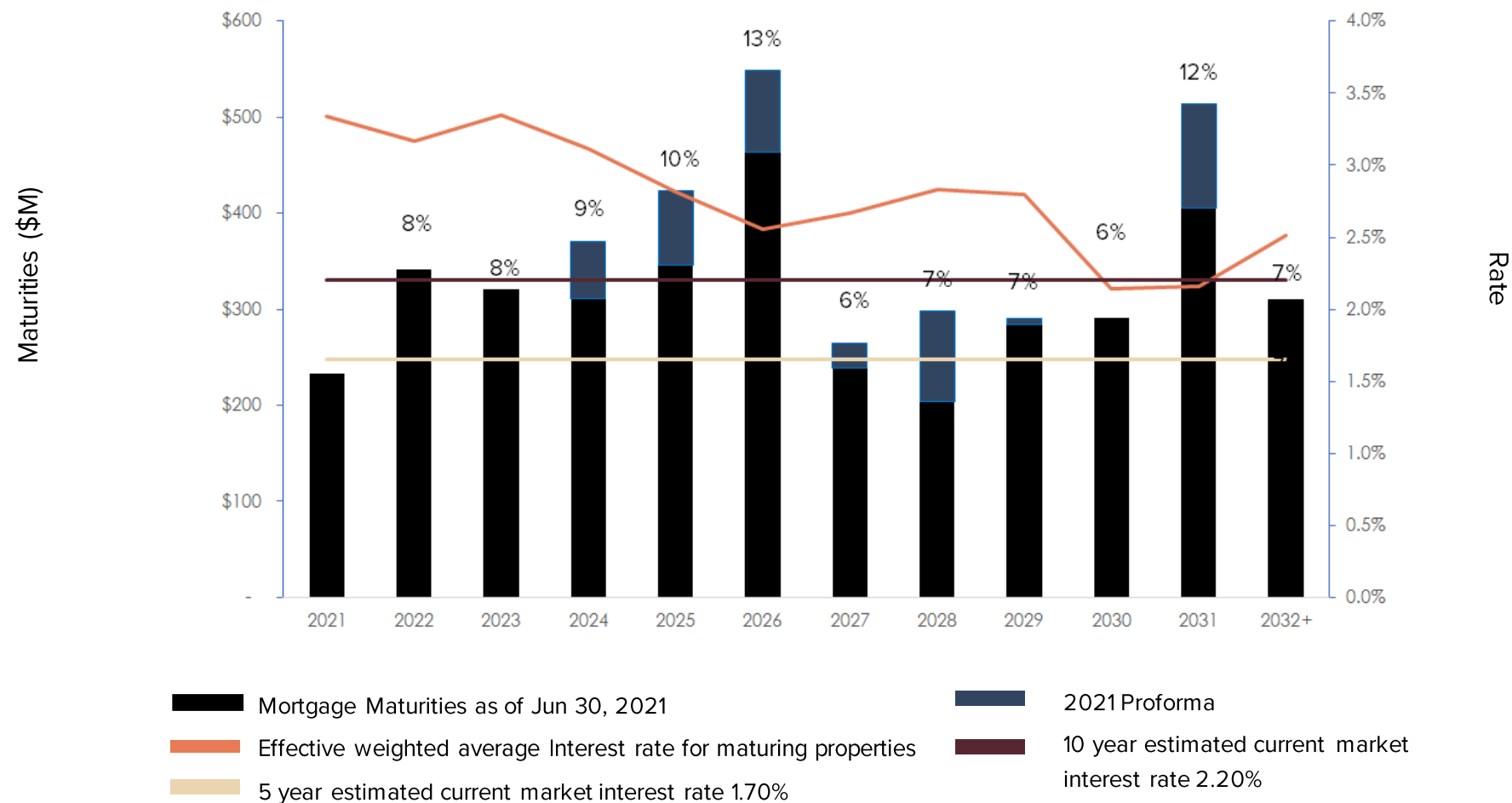
## Total Debt to Gross Book Value



## Coverage Ratios



# Debt Strategy: Well-Balanced Mortgage Portfolio





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**Mark Kenney**  
President & CEO

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# Looking Ahead

DRIVING VALUE – POSITIONED FOR STRONG GROWTH

# Value Focused

1

Accretive  
Portfolio  
Growth

2

Capitalize on  
Post-Pandemic  
Trends

3

Prudent  
Property  
Investments



# Proven Asset Allocation Strategy

## 1. Accretive Portfolio Growth



### APARTMENT FOCUS

#### Large, strong, growing urban markets

- Canada's three strongest markets
- Targeting suburban areas
- Value-add mid-tier properties



### MHC FOCUS

#### Stable, low risk portfolio

- Significant new income opportunities
- Lower capital investments
- Highly affordable alternative



### EUROPE FOCUS

#### Dividend and fee income growing

- Strong spreads between yields and financing rates
- Significant growth potential
- One of only professionally managed operating platform



## 2. Capitalize on Post-Pandemic Trends



Increasing immigration



Growing seniors' market



Return of international students



Transition from “household consolidation”



### 3. Prudent Property Investments

## Investing in our Portfolio



**Energy saving initiatives** reduce costs, enhance environmental performance



**Technology investments** increase efficiency, reduce costs



**Enhancing resident safety and satisfaction** and building our brand



**Generating increases in net asset value**

- \$596 M in 2020
- \$357 M to date in 2021





Providing our residents with high quality rentals in welcoming communities

CONTINUOUSLY  
WORKING TO ENSURE  
OUR RESIDENTS LOVE  
WHERE THEY LIVE



Committed to the career growth of our employees

RECOGNIZED AS AN  
INDUSTRY LEADER IN  
EMPLOYEE  
ENGAGEMENT



The best choice for investors

SEEKING THE  
STRONGEST RETURNS  
IN OUR ASSET CLASS

**THE BEST PLACE TO LIVE, WORK AND INVEST**



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# Appendix

- 1. PORTFOLIO SNAPSHOT
- 2. REGIONAL OVERVIEWS
- 3. MHC PORTFOLIO

# Portfolio Snapshot

as at December 31, 2020

**CAPREIT manages approx.  
67,600 suites and sites across  
Canada and in Europe**

**\$578.2M**

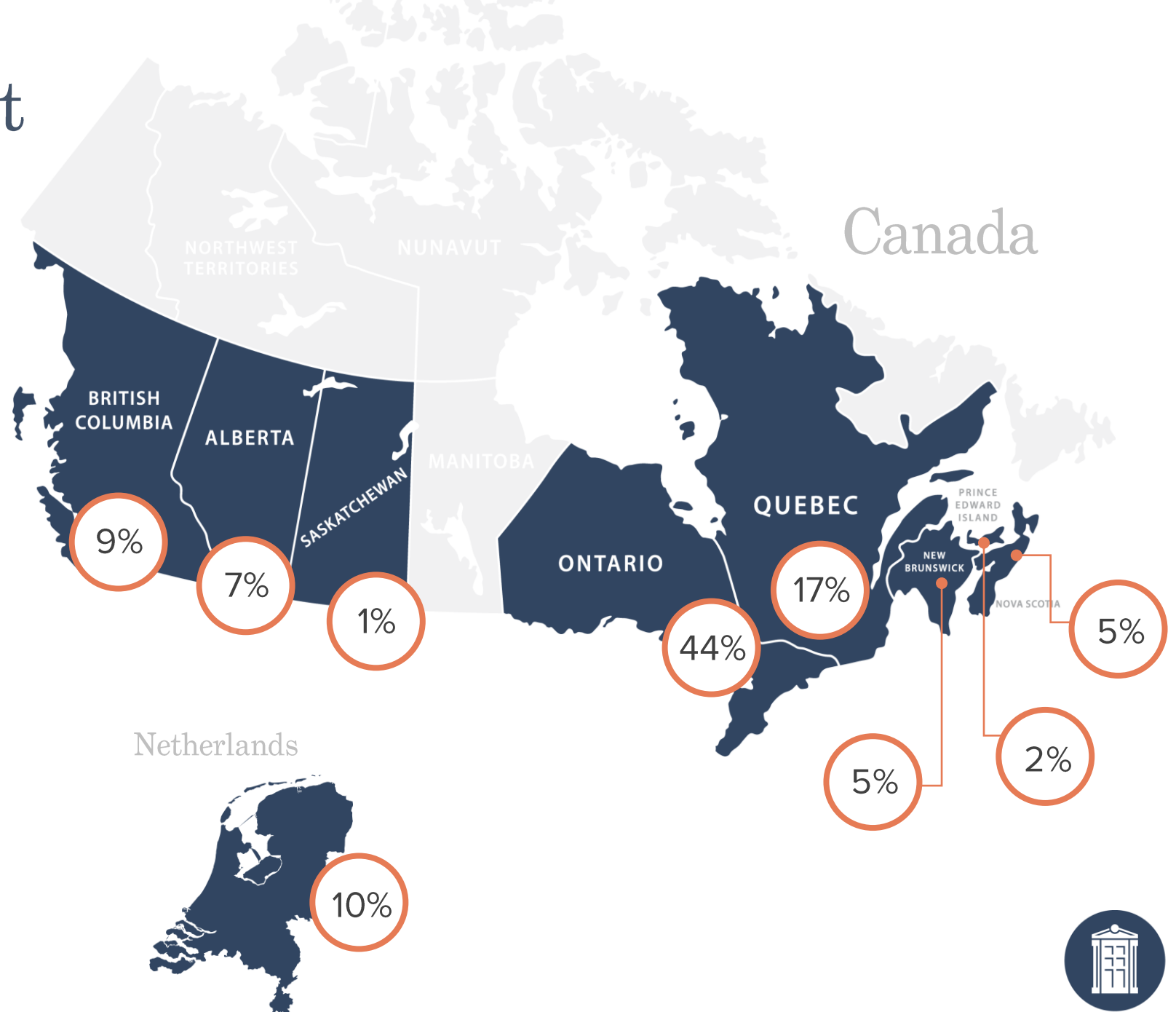
Total NOI

**\$541.2M**

Residential Suites NOI

**\$37.0M**

MHC Sites NOI





Princess Anne - Oshawa, ON



Pontiac Court - Sarnia, ON



Dixon Apartments - Etobicoke, ON

## REGIONAL OVERVIEW

# Ontario

| <i>Six months ended June 30, 2021</i> | 2021      | 2020      |
|---------------------------------------|-----------|-----------|
| % Total NOI                           | 43.8%     | 44.2%     |
| NOI (\$ 000s)                         | \$130,451 | \$124,200 |
| NOI Margin (%)                        | 64.6%     | 64.3%     |
| Occupancy (%)                         | 97.7%     | 99.2%     |
| Net Average Monthly Rents (\$)        | \$1,395   | \$1,398   |





Le DIX65 - Boisbriand, QC



Domaine Bellerive - Laval, QC



Les Habitats - Quebec City, QC,

REGIONAL OVERVIEW

Québec

| <i>Six months ended June 30, 2021</i> | 2021     | 2020     |
|---------------------------------------|----------|----------|
| % Total NOI                           | 14.9%    | 14.8%    |
| NOI (\$ 000s)                         | \$44,445 | \$41,739 |
| NOI Margin (%)                        | 61.4%    | 59.2%    |
| Occupancy (%)                         | 97.3%    | 98.8%    |
| Net Average Monthly Rents (\$)        | \$1,026  | \$1,016  |





The Meridian - Langley, BC



Tara Place - Victoria, BC



Nursery Heights - Victoria, BC

REGIONAL OVERVIEW

# British Columbia

| <i>Six months ended June 30, 2021</i> | 2021     | 2020     |
|---------------------------------------|----------|----------|
| % Total NOI                           | 11.3%    | 11.5%    |
| NOI (\$ 000s)                         | \$33,768 | \$32,386 |
| NOI Margin (%)                        | 70.7%    | 69.7%    |
| Occupancy (%)                         | 99.1%    | 98.6%    |
| Net Average Monthly Rents (\$)        | \$1,419  | \$1,402  |





Cunard Apartments - Halifax, NS



The Welsford - Halifax, NS



Scotia Tower- Halifax, NS

## REGIONAL OVERVIEW

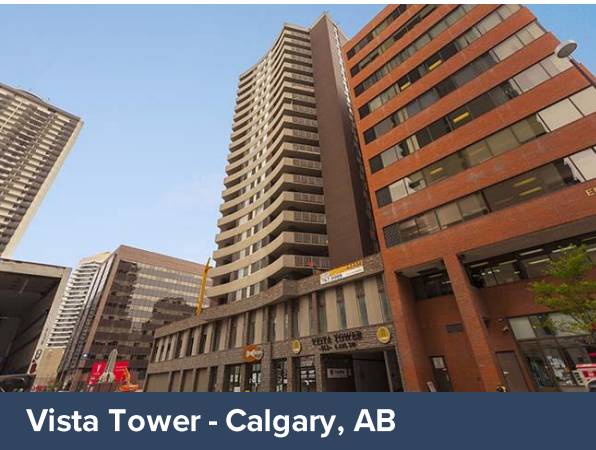
# Nova Scotia

| <i>Six months ended June 30, 2021</i> | 2021     | 2020     |
|---------------------------------------|----------|----------|
| % Total NOI                           | 5.1%     | 4.4%     |
| NOI (\$ 000s)                         | \$15,285 | \$12,489 |
| NOI Margin (%)                        | 59.7%    | 57.6%    |
| Occupancy (%)                         | 95.8%    | 97.2%    |
| Net Average Monthly Rents (\$)        | \$1,243  | \$1,181  |





The Carrington - Calgary, AB



Vista Tower - Calgary, AB



Garneau Towers - Edmonton, AB

REGIONAL OVERVIEW

# Alberta

| <i>Six months ended June 30, 2021</i> | 2021    | 2020     |
|---------------------------------------|---------|----------|
| % Total NOI                           | 3.0%    | 3.8%     |
| NOI (\$ 000s)                         | \$9,039 | \$10,575 |
| NOI Margin (%)                        | 52.8%   | 55.5%    |
| Occupancy (%)                         | 92.1%   | 93.7%    |
| Net Average Monthly Rents (\$)        | \$1,041 | \$1,078  |





## REGIONAL OVERVIEW

# Prince Edward Island

| <i>Six months ended June 30, 2021</i> | 2021    | 2020    |
|---------------------------------------|---------|---------|
| % Total NOI                           | 0.7%    | 0.7%    |
| NOI (\$ 000s)                         | \$2,084 | \$2,081 |
| NOI Margin (%)                        | 49.4%   | 49.7%   |
| Occupancy (%)                         | 99.1%   | 98.4%   |
| Net Average Monthly Rents (\$)        | \$1,105 | \$1,082 |





Lewvan Village - Regina, SK



Southwood Green - Regina, SK

REGIONAL OVERVIEW

# Saskatchewan

| <i>Six months ended June 30, 2021</i> | 2021    | 2020    |
|---------------------------------------|---------|---------|
| % Total NOI                           | 0.2%    | 0.3%    |
| NOI (\$ 000s)                         | \$713   | \$767   |
| NOI Margin (%)                        | 51.4%   | 53.1%   |
| Occupancy (%)                         | 96.6%   | 97.4%   |
| Net Average Monthly Rents (\$)        | \$1,012 | \$1,021 |





Hofkamp, Losser, Overijssel



Chopinlaan, Doorwerth



De Kameleon, Amsterdam

## REGIONAL OVERVIEW

# The Netherlands

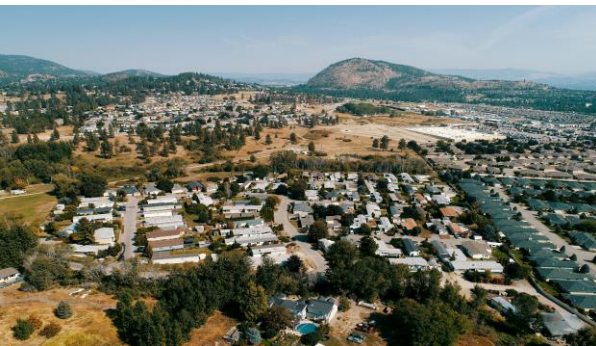
| <i>Six months ended June 30, 2021</i> | 2021     | 2020     |
|---------------------------------------|----------|----------|
| % Total NOI <sup>1</sup>              | 14.5%    | 13.9%    |
| NOI (\$ 000s) <sup>1</sup>            | \$43,368 | \$39,176 |
| NOI Margin (%) <sup>1</sup>           | 76.9%    | 76.2%    |
| Occupancy (%)                         | 97.9%    | 98.8%    |
| Net Average Monthly Rents (\$)        | \$1,308  | \$1,324  |

(1) Inclusive of commercial property within the ERES portfolio located in The Netherlands, Germany, and Belgium





Rosewood Community – Moncton, NB



Village Green - West Kelowna, BC



Silver Creek Estates - Orillia, ON

# MHC Portfolio

| <i>Six months ended June 30, 2021</i> | 2021     | 2020     |
|---------------------------------------|----------|----------|
| % Total NOI                           | 6.5%     | 6.4%     |
| NOI (\$ 000s)                         | \$19,285 | \$17,878 |
| NOI Margin (%)                        | 65.2%    | 63.3%    |
| Occupancy (%)                         | 96.0%    | 95.8%    |
| Net Average Monthly Rents (\$)        | \$395    | \$386    |

