



Investor Presentation

May 2018



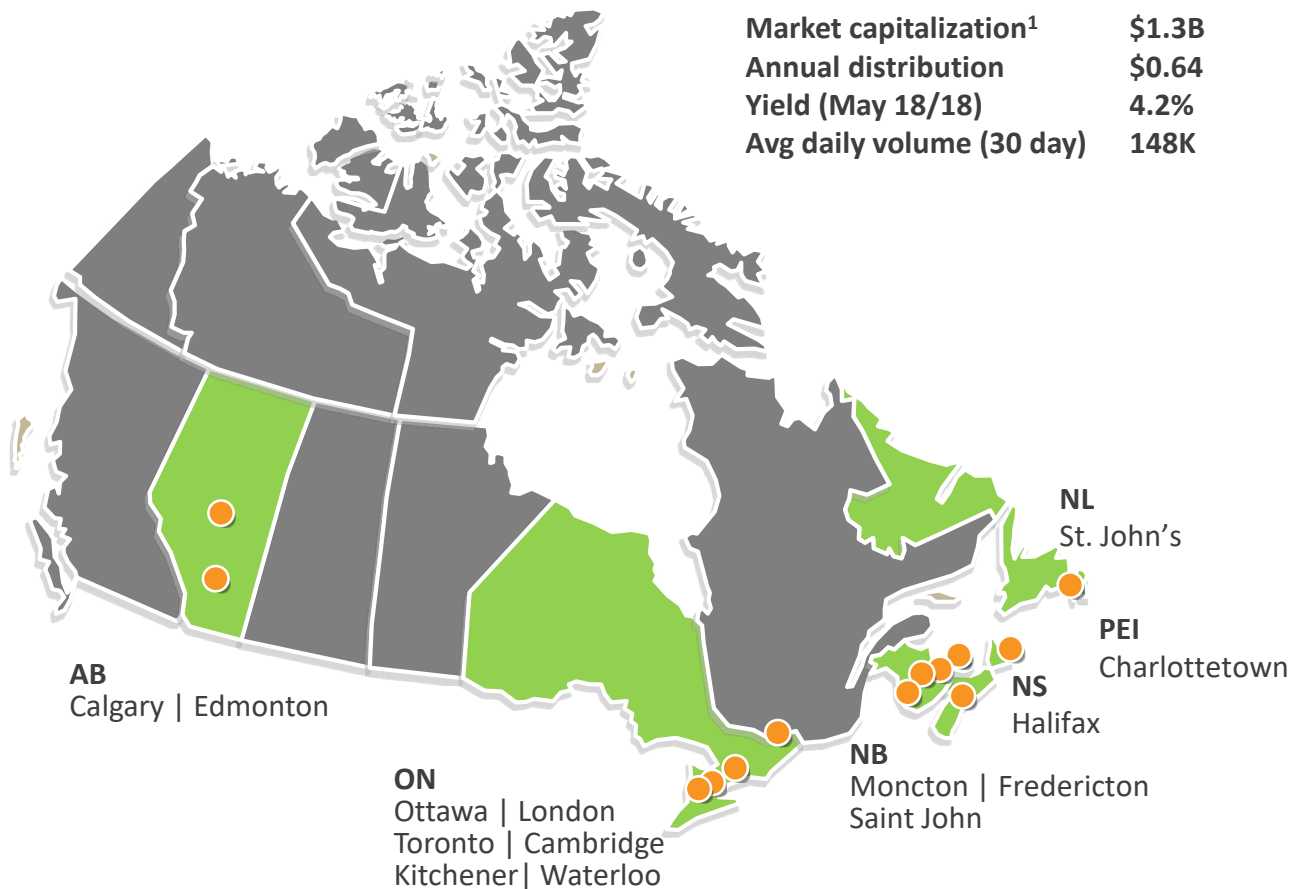
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Cautionary Statement

This presentation may contain forward-looking statements with respect to Killam Apartment REIT and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intends”, “believe” or “continue” or the negative thereof or similar variations. The actual results and performance of Killam Apartment REIT discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation and the factors described under “Risk Factors” in Killam’s annual information form and other securities regulatory filings. The cautionary statements qualify all forward-looking statements attributable to Killam Apartment REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date to which this presentation refers, and the parties have no obligation to update such statements.

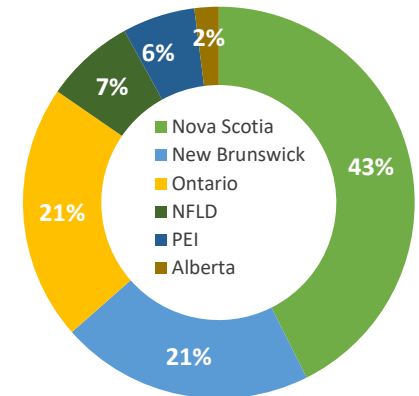
Killam Apartment REIT

Killam Apartment REIT owns, manages and develops multi-family residential properties in Atlantic Canada, Ontario and Alberta. Killam's portfolio includes \$2.5 billion in real estate assets, comprised of 15,093 apartment units and 5,165 manufactured home community (MHC) sites.

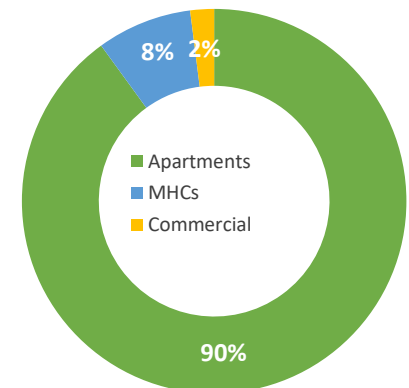


| | |
|------------------------------------|--------|
| Market capitalization ¹ | \$1.3B |
| Annual distribution | \$0.64 |
| Yield (May 18/18) | 4.2% |
| Avg daily volume (30 day) | 148K |

Net Operating Income (NOI) By Province

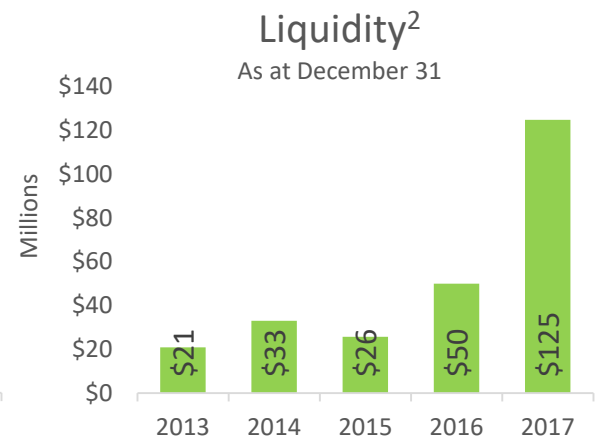
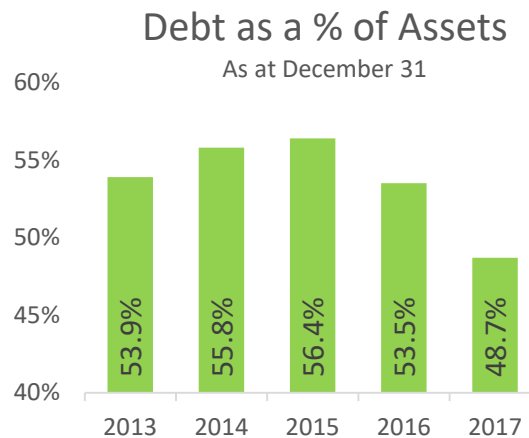
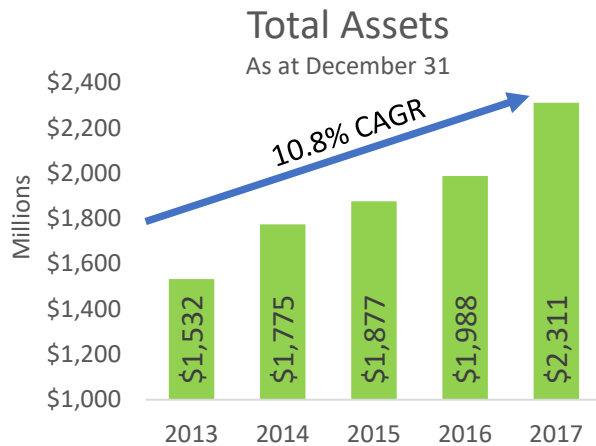
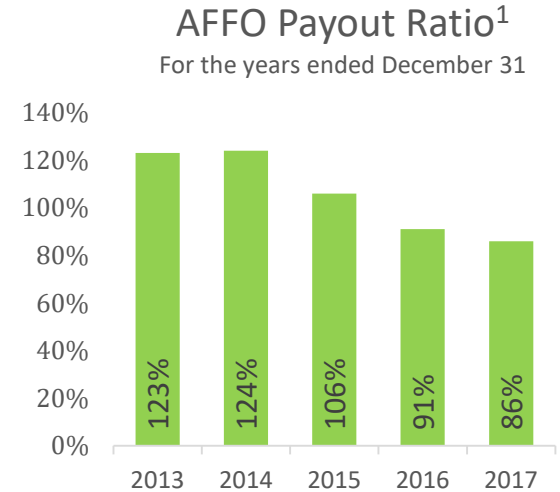
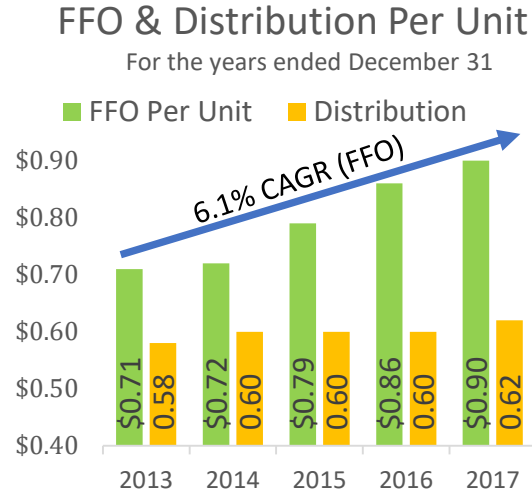
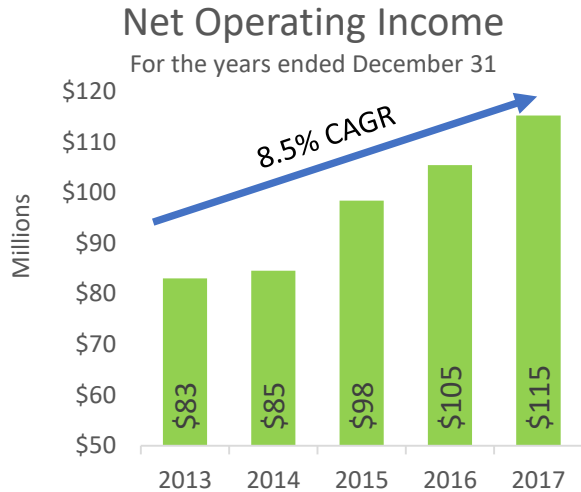


NOI by Sector



¹ Includes exchangeable units.

Financial Highlights – Five Years of Growth



¹ AFFO payout ratio for 2017 calculated using a maintenance capex reserve of \$900/unit for apartments \$300/site for MHCs. AFFO payout ratio for 2013 – 2016 calculated using a maintenance capex reserve of \$970/unit for apartments and \$225/site for MHCs.

² Liquidity includes cash on hand and availability under credit facilities. Pro-forma liquidity at December 31, 2017, includes pending mortgage financings that were arranged, but had not closed at December 31, 2017.

Why Invest in Killam



William's Court, Ottawa

- Clearly defined strategy to grow earnings and net asset value (NAV) per unit.
- One of Canada's highest-quality and youngest apartment portfolios with 31% of NOI generated from apartments built in the last 10 years.
- Experienced developer with a \$700 million development pipeline to support future growth.
- Growing funds from operations (FFO) & adjusted funds from operations (AFFO) per unit.
- Well positioned to benefit from strong fundamentals.
- Rising distributions with conservative payout ratio.
- Conservative balance sheet with capital flexibility.

Clearly Defined Strategy to Grow FFO & NAV

Killam's strategy to maximize value and profitability is focused on three priorities.

Increase earnings from existing portfolio.

Expand the portfolio and diversify geographically through accretive acquisitions, with an emphasis on newer properties.

Develop high-quality properties in core markets.



Spring Garden Terrace, Halifax



100 Eagle, Cambridge



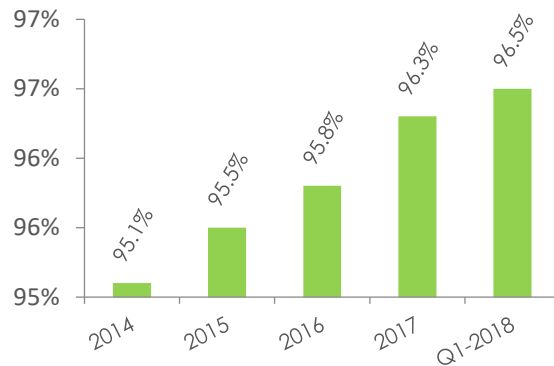
The Alexander, Halifax

Clearly Defined Strategy – Existing Portfolio

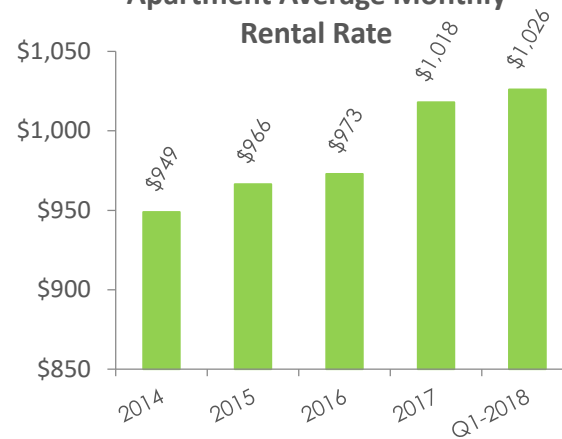
Increasing earnings from existing operations through revenue growth.

- Strong occupancy – 2017 and Q1-2018 occupancy was amongst Killam’s highest.
- Rising rental rates – Rate increases on renewals (1.5%) and turns (5%) averaged 2.2% in Q1-2018.
- Reduced incentives – Managing inducements in a low vacancy environment (30 bps lower in Q1-2018 compared to Q1-2017).
- Quality product & service – 90% tenant satisfaction¹.

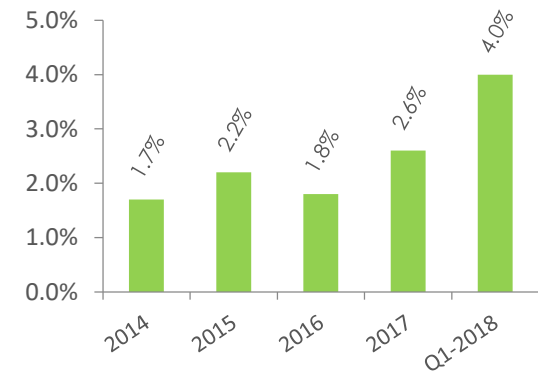
Apartment Occupancy²



Apartment Average Monthly Rental Rate



Historic Same Property Revenue Growth



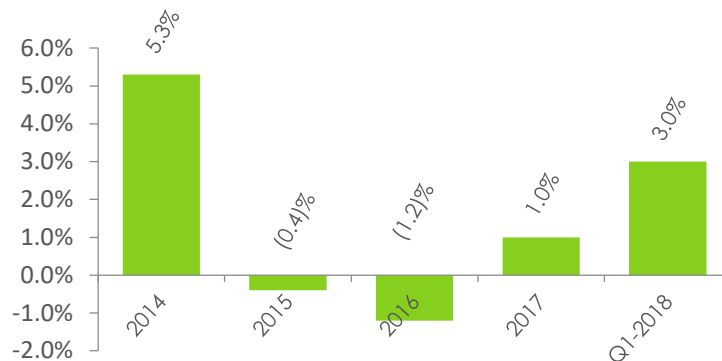
¹ Surveys administered by Corporate Research Associates. Killam has recorded 90% or better for the last three years.

² Measured as dollar vacancy versus unit vacancy to more accurately capture impact of vacant units.

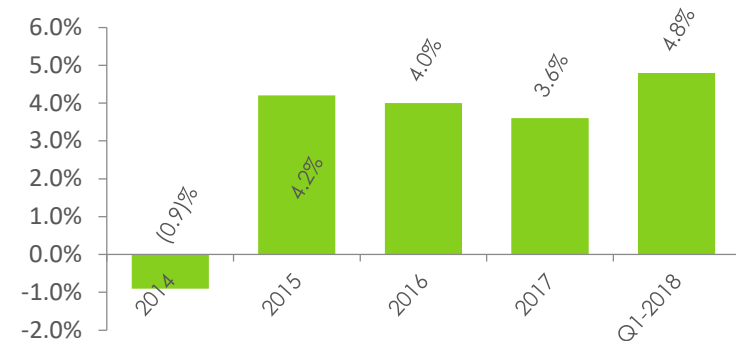
Increasing earnings from existing operations through expense management.

- Energy conservation initiatives – \$3.5 million of investment in 2017 and \$5.0 million planned in 2018 – cumulatively saving \$2.0 million/year in expenses
- Economies of scale – Negotiating lower pricing for goods and services.
- Employee training – Focus on front-line repairs and maintenance staff.
- Investment in technology – Mobile maintenance and online invoice processing.
- Risk management – Emphasis on loss prevention and claims management.
- Property taxes – Appealing rising property tax assessments.

Same Property Expense Growth



Same Property NOI Growth



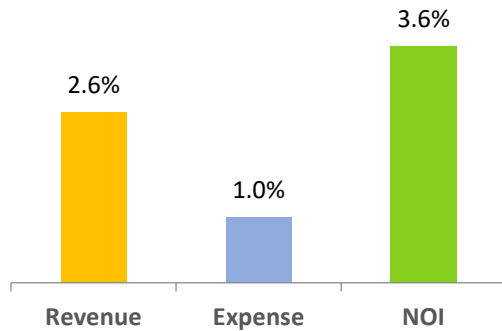
2018 Target: Same Property NOI growth of 2-4%.

Long-term Target: Average of 2%+ NOI growth.

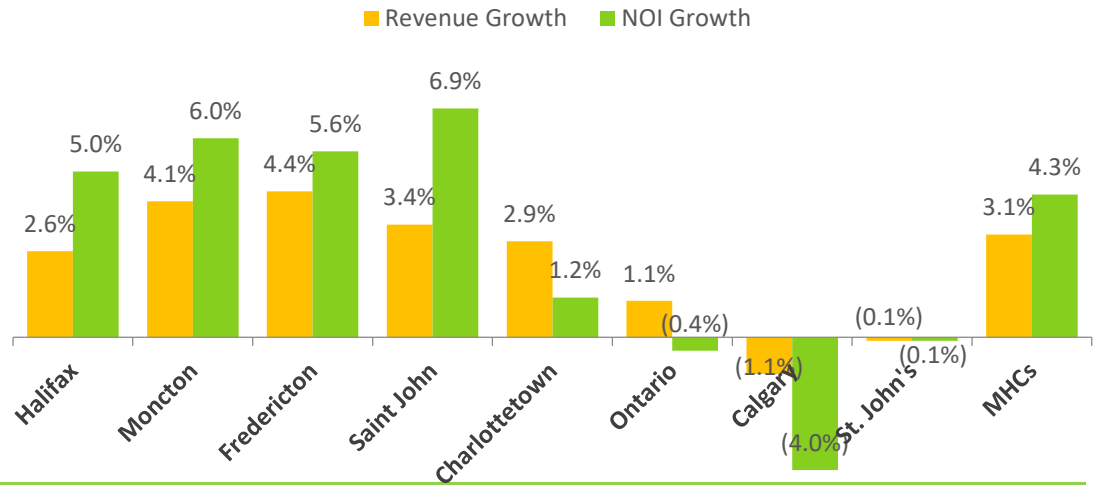
* Record high natural gas prices in Atlantic Canada impacted expense and NOI growth in 2014.

Existing Portfolio – 2017 & Q1-2018 Performance

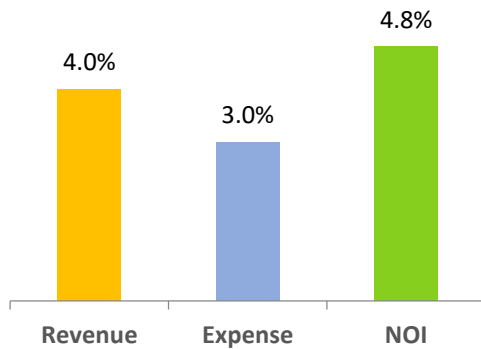
2017 Same Property Performance



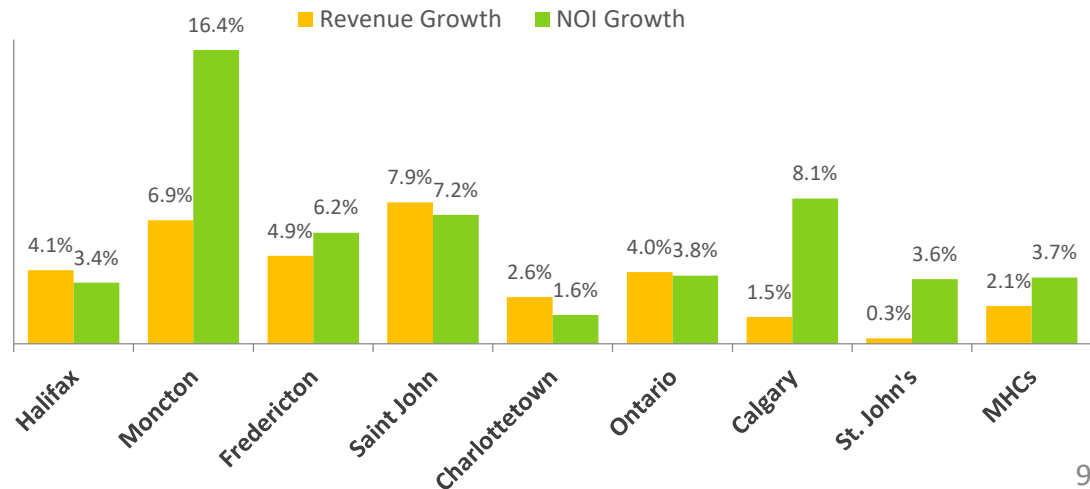
2017 Results by Market



Q1-2018 Same Property Performance



Q1-2018 Results by Market



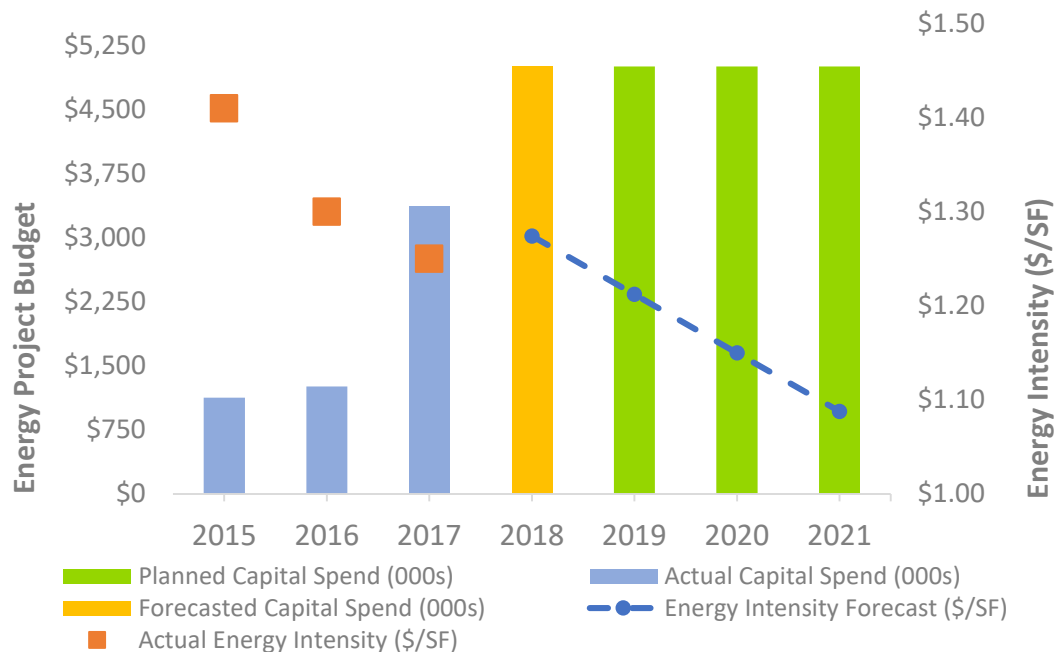
Clearly Defined Strategy – Existing Portfolio

Increasing earnings from existing operations through energy efficiency.

- Five year plan developed in 2016 to reduce resource intensity.
- **\$25 Million** of investments identified.
- **\$6 Million** invested to date.
- **4 Year** average payback.
- **\$7 Million** potential savings for a **\$140 Million** increase in NAV at 5.0% cap rate.
- 2018 plan - ~180 projects, **\$5.0M** to invest with expected **\$1.1M** in annualized operating saving with a 4.2 year payback.

Five Year Plan 2017 – 2021

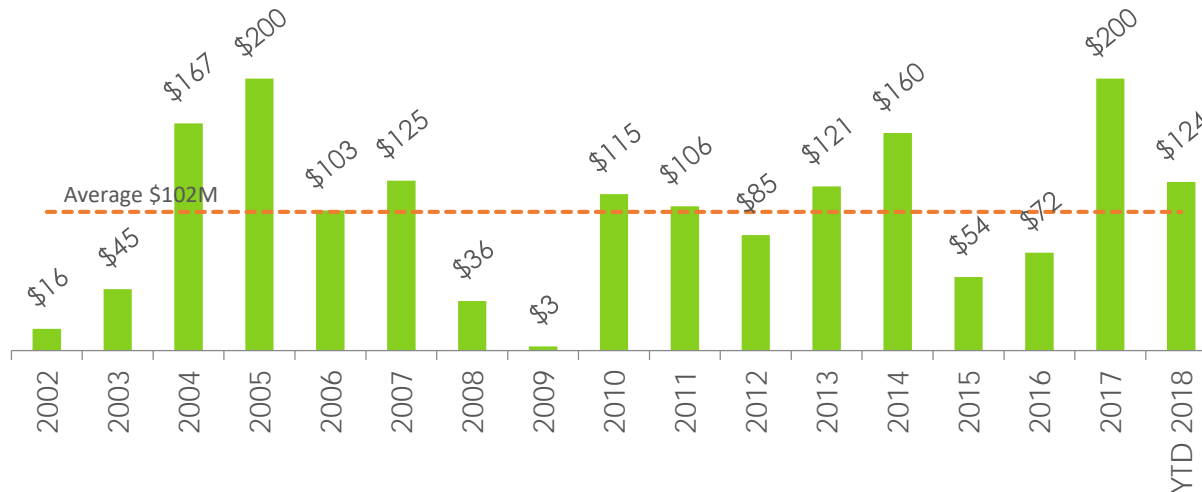
Energy and Water Project Budget and Energy Intensity \$/SF



Killam has invested \$6 million to date in these projects, including 8,300 low-flow toilets installs, boiler upgrades and lighting retrofits.

Expanding the portfolio and diversifying geographically through accretive acquisitions, with an emphasis on newer properties.

Annual Acquisitions \$ millions



Killam invested \$200 million in 2017 – \$184 million to purchase 847 units in Alberta, Ontario and Nova Scotia and \$16 million for development sites.

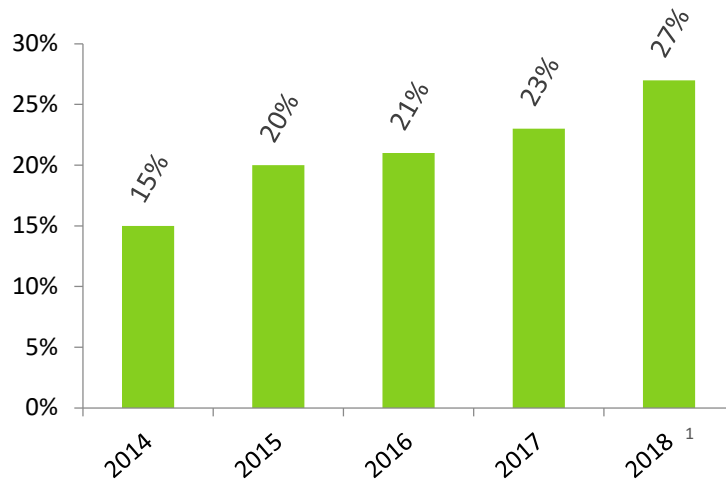
Killam has completed \$124 million of acquisitions so far in 2018. See pages 25-30 for acquisition details.

2018 Targets: \$150-\$200 million of acquisitions (with >75% outside Atlantic Canada) and 26% of NOI earned outside Atlantic Canada.

Long-term Target: >30% of NOI generated outside Atlantic Canada by 2020.

Expanding the portfolio and diversifying geographically through accretive acquisitions, with an emphasis on newer properties.

NOI Generated Outside Atlantic Canada



Focused on Expansion in Ontario and Alberta

- Higher rates of population growth.
- Primary landing point for new Canadians.
- Traditional engines of economic growth.
- Liquid markets.
- Countercyclical to Killam's Atlantic Canadian holdings.

2018 Targets: \$150 - \$200 million of acquisitions (with >75% outside Atlantic Canada) and 26% of NOI earned outside Atlantic Canada.

Long-term Target: >30% of NOI generated outside Atlantic Canada by 2020.

¹ 2018 forecast

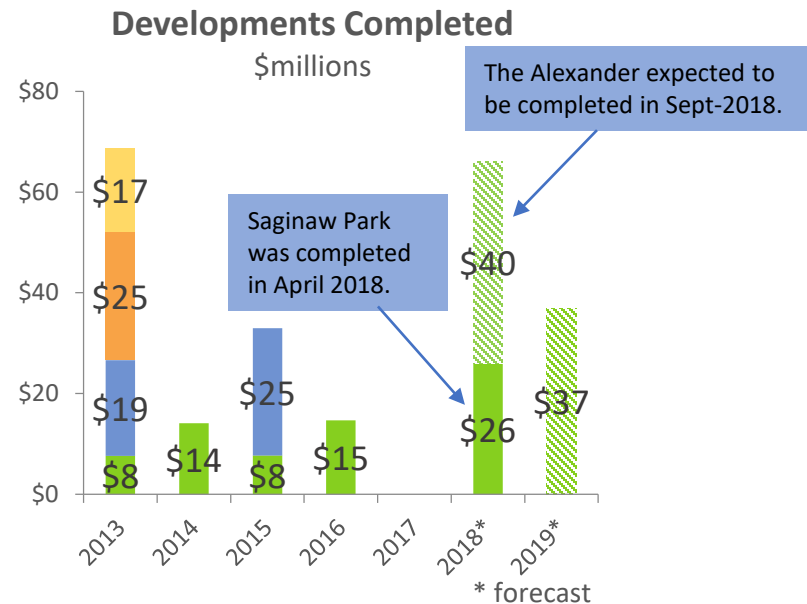
Clearly Defined Strategy – Developments

Developing high-quality properties in core markets.

- Over \$230 million (1,180 units) of developments completed or underway.
- Experienced in-house architect and engineers.
- Development pipeline of 2,400 units.



Southport, Halifax – Completed 2016



2018 Target: Complete the Alexander and Saginaw developments and break ground on one additional development.

Long-term Target: Create \$20 million of value through development by 2020.

Clearly Defined Strategy – Developments

Over \$160 million of developments completed.



49 units - Charlottetown, PEI



63 units - Halifax, NS



101 units - Fredericton, NB



47 units – Charlottetown, PEI



71 units – St. John's, NL



102 units – St. John's, NL



122 units - Cambridge, ON



70 units – Halifax, NS



93 units - Cambridge, ON

Clearly Defined Strategy – Developments

Killam has ~\$75 million of projects underway in Ontario and Nova Scotia.



The Alexander*

Halifax, NS

Sept-2018

\$39.75 million*

240 units and
6,350 sf commercial space

\$320,000/unit

* Killam's 50% interest.



Gloucester City Centre

Ottawa, ON

Q2-2019

\$36.5 million*

227 units

\$320,000/unit

Development projects underway and the recently completed Saginaw Park, are expected to contribute FFO of \$0.03/unit and \$15 to \$20 million of NAV when complete.

See pages 31 to 36 for additional information on Killam's current developments.

Clearly Defined Strategy – Developments

Saginaw Park is complete.



Key Statistics

| | |
|------------------------------|------------|
| Number of units | 93 |
| Start date | Q3-2016 |
| Completion date | April-2018 |
| Project Budget (\$ millions) | \$25.5 |
| Cost per unit (\$ thousands) | \$274,000 |
| Market Cap Rate | 4.0% |
| Fair Value on Completion | \$34 |
| Value Creation (\$ millions) | \$8.5 |



Silver Spear development to break ground in Q4-2018.

Key Statistics

| | |
|--|-----------|
| Number of units | 128 |
| Start date | Q4-2018 |
| Estimated Completion date | Q4-2020 |
| Project Budget (\$ millions)* | \$22.75 |
| Cost per unit (\$ thousands) | \$356,000 |
| Expected yield | 5.4% |
| Fair Value on Completion (\$millions)* | \$28.5 |
| Value Creation (\$ millions)* | \$6 |

* Killam's 50% interest.



Silver Spear, Mississauga

Killam has a \$700 million development pipeline.

| Future Development Opportunities | | |
|--|----------------|--------------|
| Property | City | Units |
| Weber Scott Pearl | Kitchener, ON | 163 |
| Gloucester City Centre (Phase 2-4)* | Ottawa, ON | 283 |
| Grid 5 Land* | Calgary, AB | 388 |
| Westmount Place | Waterloo, ON | 560 |
| The Governor | Halifax, NS | 48 |
| Carlton Terrace | Halifax, NS | 104 |
| Kanata Lakes* | Ottawa, ON | 40 |
| Cameron Heights | Edmonton, AB | 190 |
| Medical Arts (Spring Garden) | Halifax, NS | 200 |
| Carlton Houses | Halifax, NS | 80 |
| Topsail Road | St. John's, NL | 225 |
| Block 4 | St. John's, NL | 80 |
| Total Development Opportunities | | 2,361 |

* Represents Killam's 50% interest in developments.

Killam targets yields of 5.0% - 6.0% on development, 50-150 bps higher than the expected cap-rate value on completion. Building out the \$700 million pipeline at a 100 basis point spread would create approximately \$175 million in net asset value for unitholders.

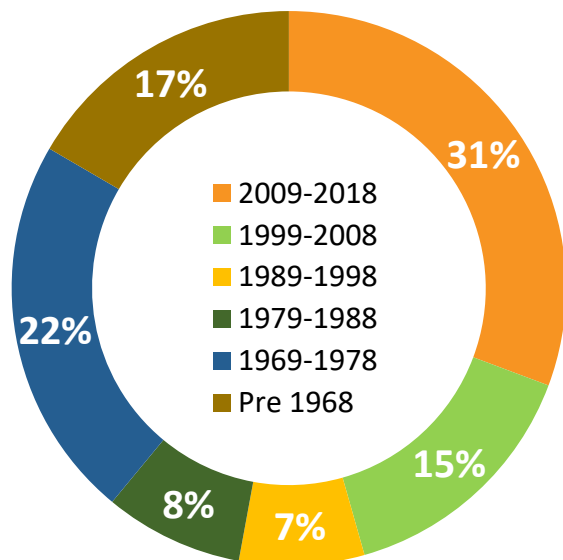


Carlton Terrace, Halifax

Killam operates one of Canada's newest apartment portfolios.

- 31% of apartment NOI is earned from properties built in the last 10 years.
- Modern, high-quality buildings are in greater demand and require less capital maintenance to operate.

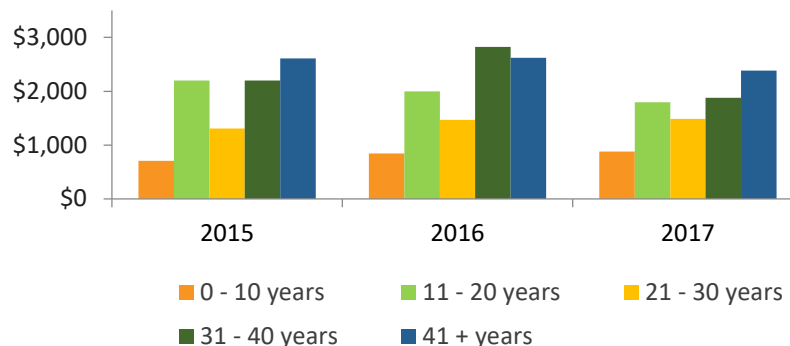
Apartment NOI by Year of Construction



Killam is growing its portfolio of high-quality properties by focusing on developments and acquiring newer properties.

Average Capital Spend Per Unit by Building Age

For the years ended Dec 31



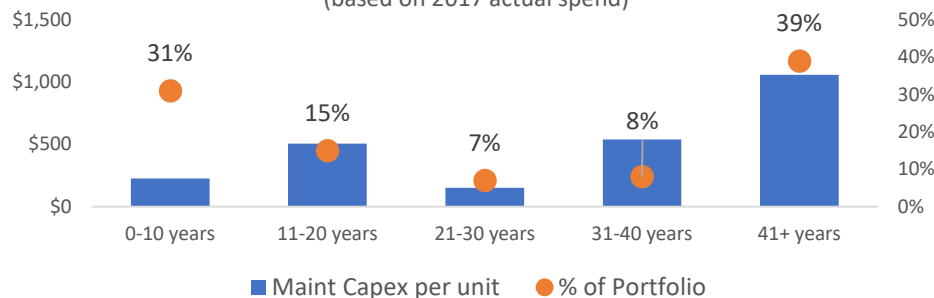
Killam's average annual spend for properties less than 10 years old was \$879 per unit in 2017 compared to \$2,325 per unit for buildings over 40 years old.

Killam's overall average annual capital spend was \$1,966 per unit in 2017.

Maintenance capital (\$900/unit) represents 46% of total capital spend.

Avg Maint Capex Spend per Unit by Building Age

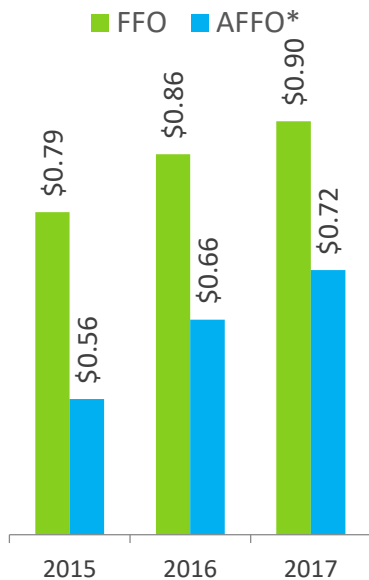
(based on 2017 actual spend)



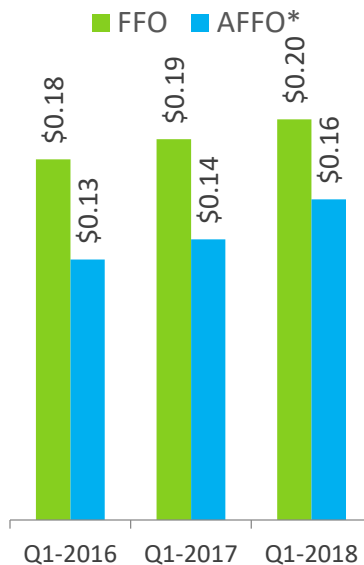
Growing Earnings & Improved Payout Ratio

FFO and AFFO per unit growth from same property NOI growth, interest savings, accretive acquisitions and developments.

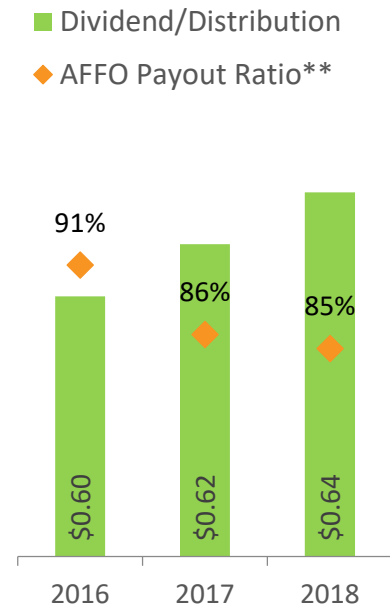
FFO & AFFO Per Unit
For the years ended Dec 31



FFO & AFFO Per Unit
For the 3 months ended Mar 31



Dividend/Distribution & Payout Ratio



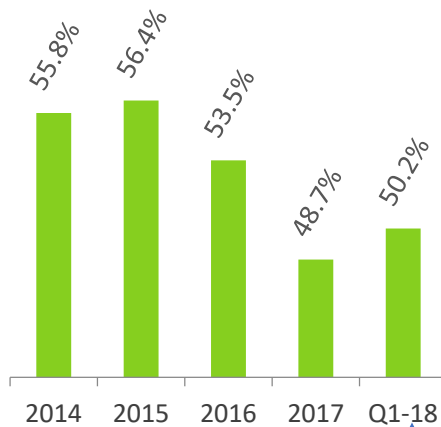
*AFFO calculation revised in Q1-2017 based on REALpac white paper published in February 2017. Historical AFFO restated to conform to current presentation.

** AFFO payout ratio represents consensus estimate based on current annual distribution of \$0.64. Killam's Board of Trustees approved a 3.2% increase on February 13, 2018.

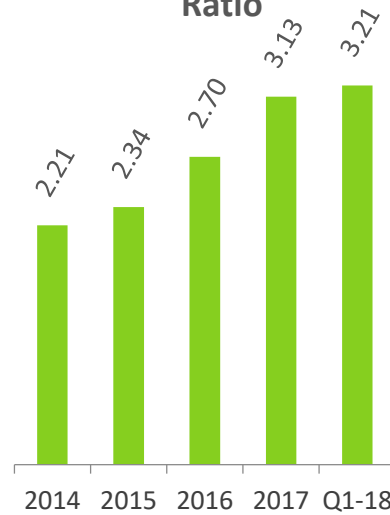
Strong Balance Sheet, Increased Flexibility

Killam is managing its balance sheet with conservative leverage.

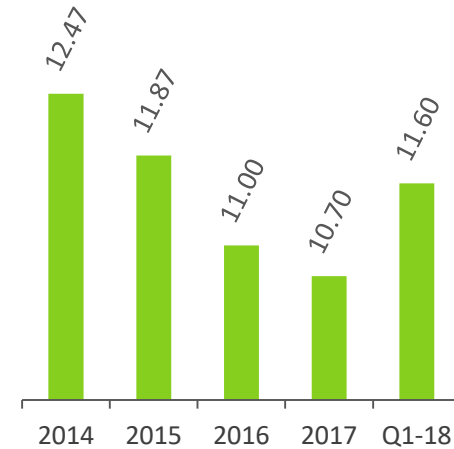
Debt as a % of Total Assets



Interest Coverage Ratio



Debt to EBITDA



Leverage increased in Q1 due to mortgages placed on properties acquired debt-free in December 2017. Killam is managing debt levels to below 52% during 2018 and below 50% by 2020.

Debt to EBITDA increased in Q1 due to the timing of acquisitions. In addition, increased construction financing on Killam's development projects has contributed to the increase debt to EBITDA ratio. Proforma debt to EBITDA with stabilization of recent acquisitions and developments would be approximately 10.40.

- In December 2017 Killam increased availability under its credit facility to \$90 million (including a \$20 million accordion feature), up from \$30 million.
- Killam's acquisition capacity at March 31, 2018, is approximately \$170 million.

2018 Target: Maintain debt as a percentage of assets ratio below 52%.

Long-term Targets Debt as a percentage of assets of less than 50% by 2020.

Interest Expense Savings

Killam generated interest savings in Q1-2018 and expects to refinance near-term maturities at lower interest rates (~\$70 million of refinancing for the remainder of 2018).

Apartment Mortgage Maturities by Year As at March 31, 2018



Current rate for 5-year CMHC insured debt is approximately 3.05%.

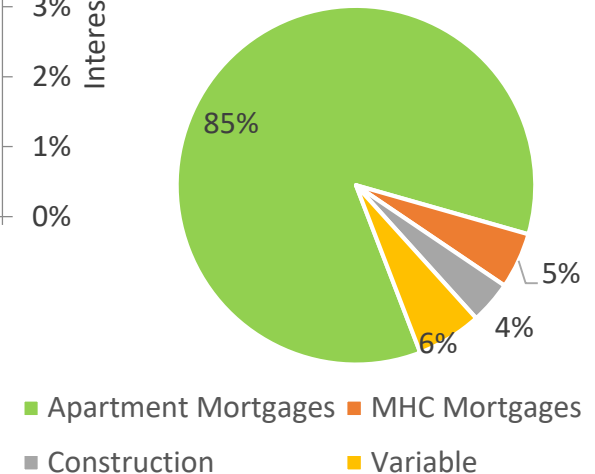
Current rate for 10-year CMHC insured debt is approximately 3.25%.

Current Weighted Average Interest Rate of 2.91%

83% of Apartment Mortgages CMHC Insured

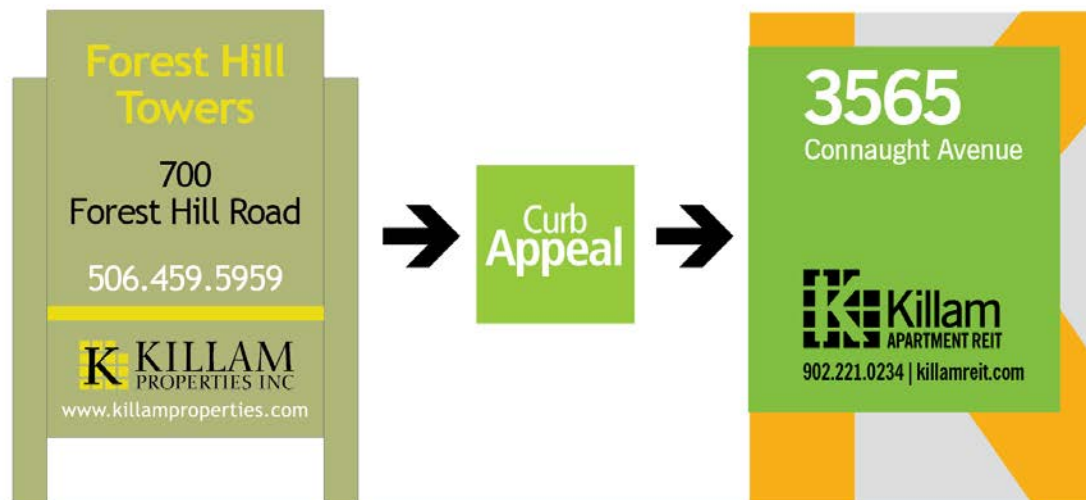
Weighted Average Term to Maturity of 4.3 years

Type of Debt as at Mar 31, 2018



Killam is positioned for long-term success with a focus on the following initiatives:

- Growing the portfolio and expanding geographically with accretive acquisitions.
- Expanding the portfolio through developments in core markets.
- Cost management through ongoing process improvements.
- Maintaining a strong balance sheet and lowering debt levels.
- Increasing capital flexibility with an expanded line-of-credit and improved AFFO payout ratio.





Appendices



Home. For all.

Q1-2018 Acquisitions

The Killick, Halifax

Description:

110 units & 4,500 sf of commercial space

Average rent – \$1,810/month (\$2.00/sf)

Current occupancy – 97%

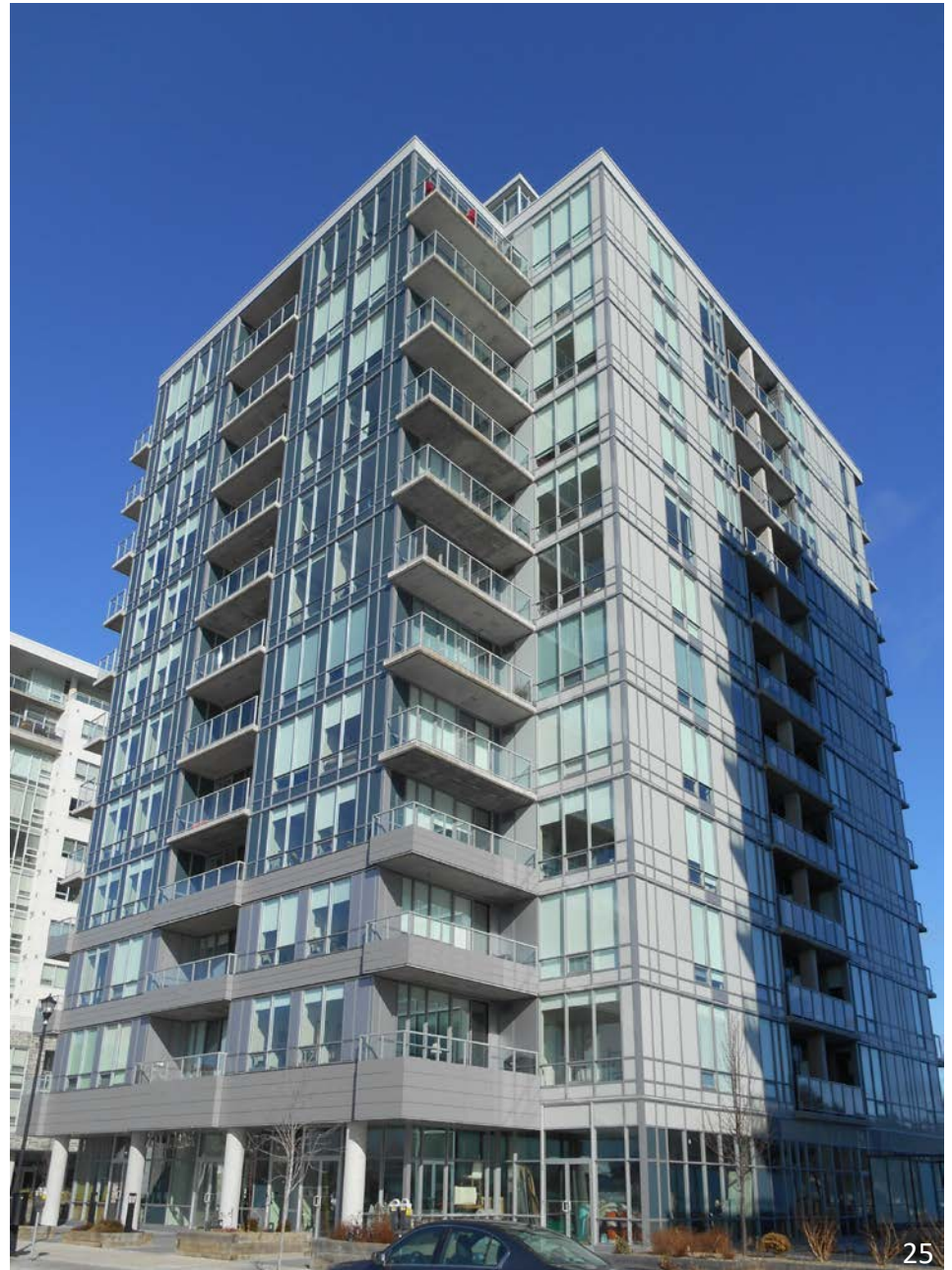
Location:

49 King's Wharf, Dartmouth

Acquisition Details:

\$33.0 million (\$290,000/unit)

5.0% capitalization rate



Q1-2018 Acquisitions

Westmount Place, Waterloo

Description:

14.7 acre existing commercial site
189,000 sf office tower
87,000 sf grocery anchored retail plaza
21,000 sf of second floor office space
2.0 acre residential development site
expected to support 560 units

Commercial/Office Details:

8 year average lease term
96% occupancy
84% national tenants
Sunlife = 56% of revenue
33,000 sf grocer to open Sept 18

Acquisition Details:

\$77.8 million
5.7% yield



Q1-2018 Acquisitions

Westmount Place, Waterloo



Westmount Place, Waterloo



Development Opportunity:

- 560 units
- 3-phase development
- Construction expected to begin in late 2019/early 2020
- Opportunity to create over \$70 million of unitholder value through the development of 560 units

Central Calgary Development Sites

Description:

32,548 sf development site located adjacent Grid 5 and another site purchased in 2015

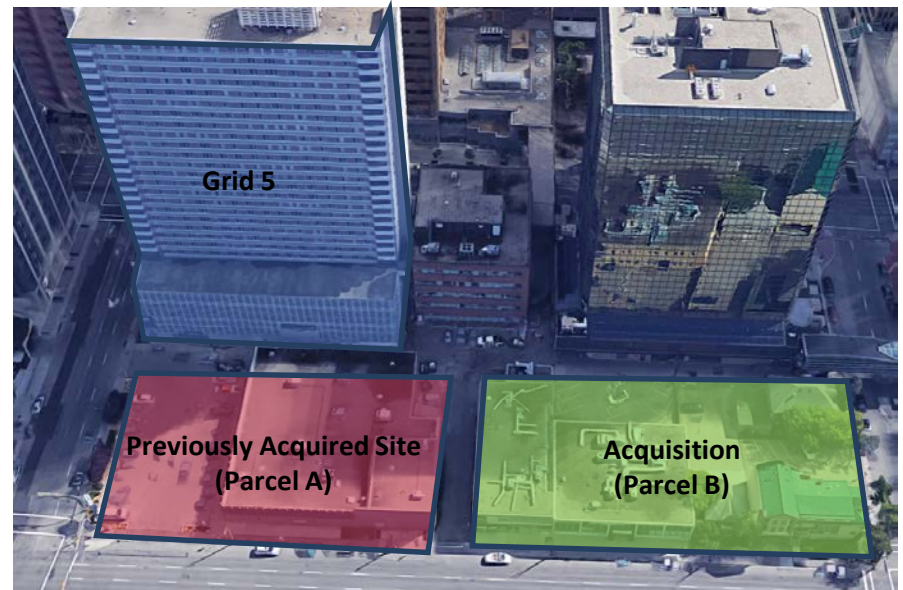
Combined expected to support three towers totalling 970 units

Location:

5th Street Southwest and 4th Avenue Southwest
Adjacent Grid 5

Acquisition Details:

\$7.2 million (40% interest)



Weber Scott Pearl, Kitchener

Description:

1.8 acre development site including a small commercial building and a heritage residence

Opportunity to develop a 163-unit apartment building

Location:

Downtown Kitchener

Acquisition Details:

\$6.0 million



Developments

The Alexander, Halifax

Rental Units: 240 units & 6,350 sf of retail space

Ownership: Killam 50%, Partners 50%

Projected Completion: Podium level completed
October 1, 2017 (55 of 240 units occupied)

Tower completion Sept 2018

Location: Downtown Halifax across from the
waterfront

Cost: \$39.75 million (Killam's cost)

Expected Yield: 4.75%-5.0%

Expected Value: 4.5% cap rate

Average Unit Size: 740 sf

Average Rent: \$1,770 (\$2.39/sf)



Developments

The Alexander, Halifax



Developments

The Alexander, Halifax



Developments

Saginaw Park, Cambridge

Rental Units: 93 units

Start Date: Q3-2016

Completion Date: April-2018

Location: Adjacent Saginaw Gardens,
Saginaw Parkway, Cambridge

Cost: \$25.5 million (\$274,000/unit)

Expected Yield: 5.4%

Expected Value: 4.0% cap rate

Average Unit Size: 1,025 sf

Average Rent: \$1,670 (\$1.63/sf)

Unique design features include:

- Sub-metered water
- Smart locks controlled by smartphones

Developments

Gloucester City Centre (Phase I) – The Frontier, Ottawa

Rental Units: 228 units

Ownership: Killam 50%, RioCan 50%

Start Date: Q2-2017

Projected Completion: Q2-2019

Location: Ottawa's East End, adjacent
Ottawa's Light Rail Transit (LRT) Blair Station.

Cost: \$36.5 million (Killam's cost)
(\$320,000/unit)

Expected Yield: 5.0%

Expected Value: 4.0% cap rate

Average Unit Size: 789 square feet

Average Rent: \$1,829 (\$2.32/sf)



Developments

Gloucester City Centre (Phase I) – The Frontier, Ottawa



Gloucester City Centre (Phase II)



Future Developments

Silver Spear II, Mississauga



Rental Units: 128 units

Ownership: Killam 50%, Partners 50%

Expected Start Date: Q4-2018

Projected Completion: Q4-2020

Location: Dixie Road, Mississauga

Cost: \$22.75* million (\$356,000/unit)

Expected Yield: 5.4%

Expected Value: ~28.5M* (3.75% caprate)

Average Unit Size: 740 sf

Average Rent: \$1,925 (\$2.58/sf)

* 50% interest

Future Developments



Kanata Lakes - New 80-unit building beside existing 5-building property in Ottawa.



The Governor - 48 units beside The Alexander in Halifax.

Governor's Plaza  Killam



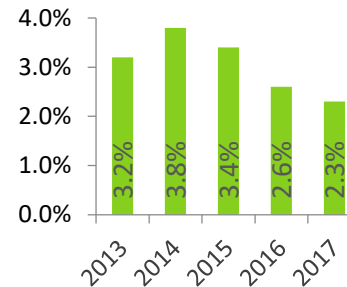
Carlton Terrace - 104 units beside Spring Garden Terrace in Halifax.

The Halifax rental market has been very strong with overall vacancy at its lowest level since 2003.

Current Market Conditions

- Strong demand due to population growth from immigration, intraprovincial migration and demographics.
- Increasing supply with higher than average starts and completions in 2017.
- Occupancy forecast to increase only modestly over the coming years.

Halifax Vacancy per CMHC

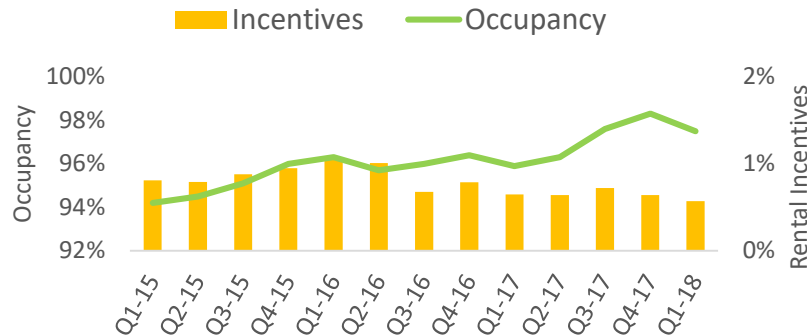


CMHC Market Stats²

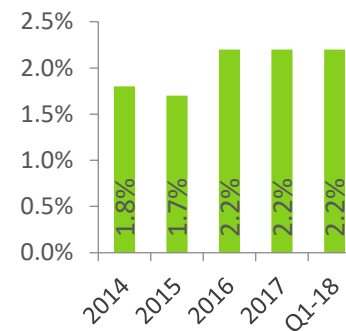
47,303 Rental Units
 2.3% Vacancy
 2.3% ↑ in Average Rent
 1,826 Starts in 2017
 1,493 Completions in 2017
 3,475 Under Construction
 \$1,027 Average Rent

Killam's Same Property Performance

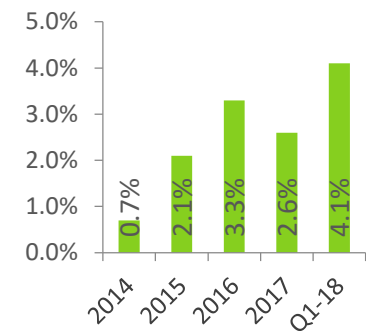
Halifax Same Property Occupancy



Halifax Same Property Rental Increases



Halifax Same Property Revenue Growth

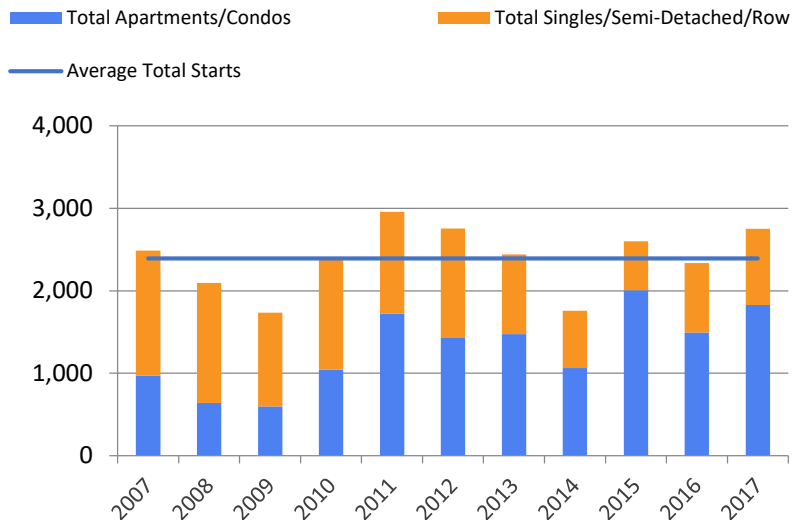


¹ Conference Board of Canada.

² CMHC 2017 Rental Market Report, Fall 2017 Housing Market Outlook and Housing Portal.

New supply has been absorbed by population growth from immigration, migration and demographics.

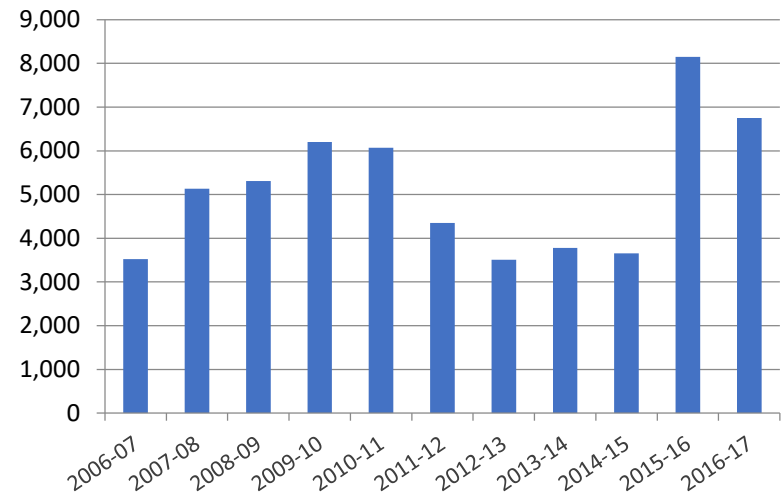
Halifax Housing Starts



Total housing starts have averaged 2,400 dwellings over the past decade – however the portion of multi-family units has increased from 1/3 to 2/3 of starts.

Halifax Population Growth and Source

Annually from July 1 – June 30

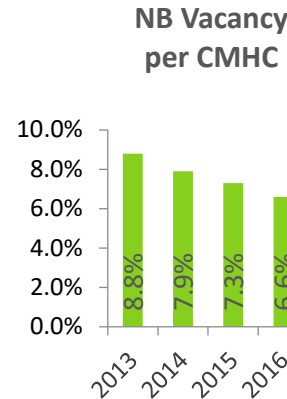


Halifax's population grew by 2% in 2016 largely due to immigration. Statistics Canada's latest population estimates for cities in February, estimates Halifax's population increased by 1.6% for the 12 months ended June 30, 2017.

Population growth coupled with limited construction has resulted in the lowest vacancy level since 2009.

Current Market Conditions

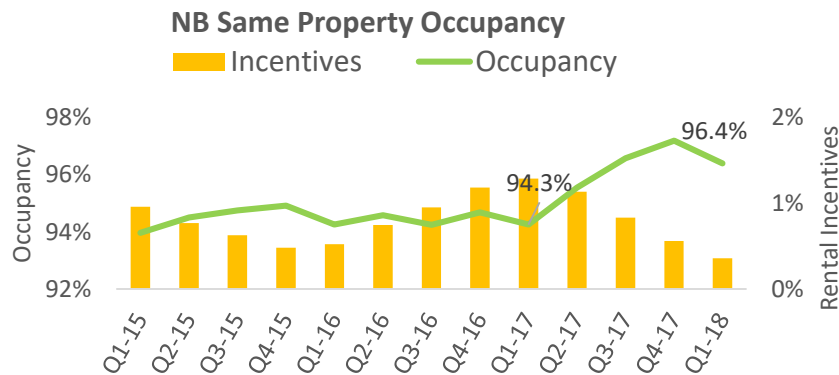
- Emigration has slowed with an improving economy, increasing population growth and rental demand.
- Fewer apartment starts in recent years has contributed to improved occupancy.
- Higher occupancy in all three major markets – 220 bps higher than Q1-2017.



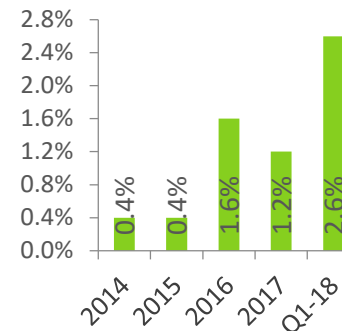
CMHC Rental Stats¹

34,766 Rental Units
 4.1% Vacancy
 1.1% ↑ in Average Rent
 625 Starts in 2017
 297 Completions in 2017
 841 Under Construction
 \$778 Average Rent
 \$750 Median Rent

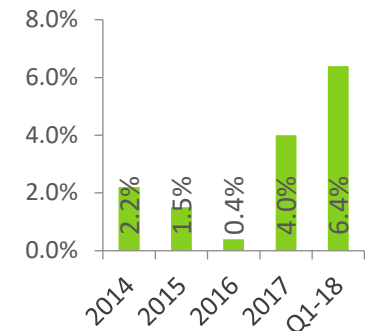
Killam's Same Property Performance



NB Same Property Rental Increases



NB Same Property Revenue Growth



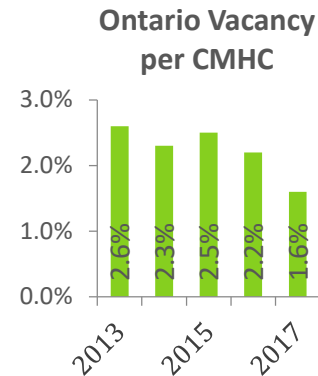
¹ CMHC 2017 Rental Market Report and Fall 2017 Housing Market Outlook and Housing Portal.

Ontario – 21% of NOI

Strong rental market driven by robust job market, international immigration and high housing prices.

Current Market Conditions

- Strong economic growth.
- Rising population due to immigration and intra-provincial migration.
- Affordability of homeownership is driving many to rent.
- Construction has not kept pace with unit demand.



CMHC Rental Stats¹

Ottawa (6.0% of NOI)
1.7% vacancy in 2017
3.0% vacancy in 2016

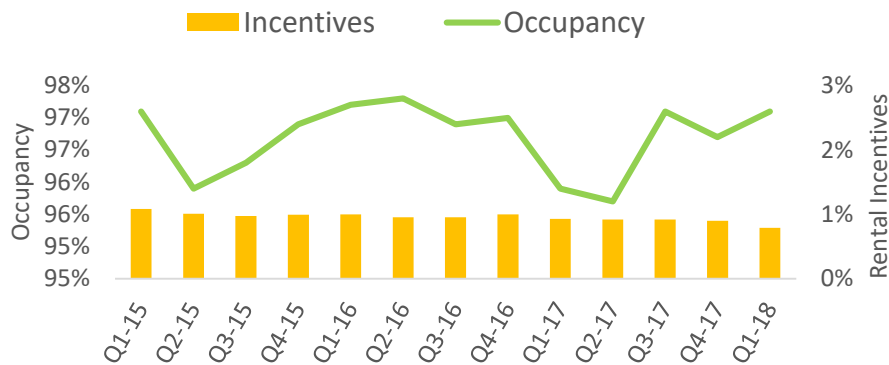
London (4.0% of NOI)
1.8% vacancy in 2017
2.1% vacancy in 2016

Cambridge (3.7% of NOI)
1.5% vacancy in 2017
1.6% vacancy in 2017

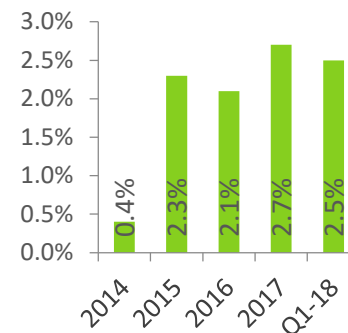
Toronto (3.1% of NOI)
1.0% vacancy in 2017
1.8% vacancy in 2016

Killam's Same Property Performance

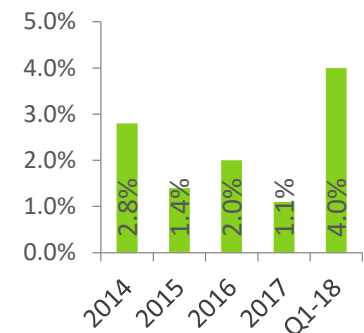
Ontario Same Property Occupancy



Ontario Same Property Rental Increases



Ontario Same Property Revenue Growth

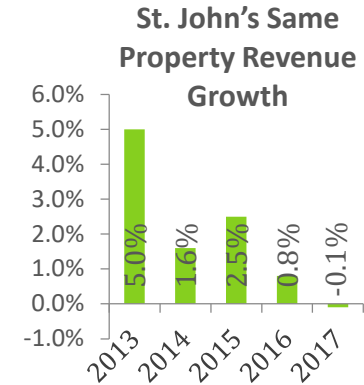
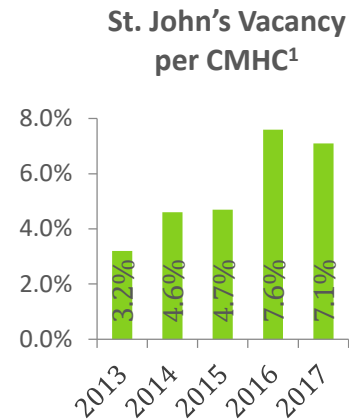


¹ CMHC 2017 Rental Market Report and Fall 2017 Housing Market Outlook and Housing Portal.

St. John's – Stabilized occupancy following eight years of rising vacancy.

Market Fundamentals

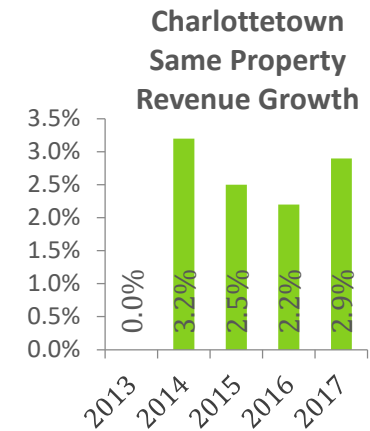
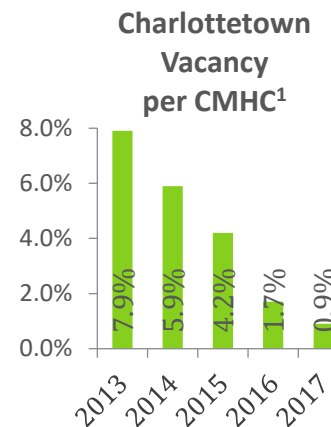
- Subdued economic outlook due to reduced activity in the offshore oil sector.
- Rental rates have stabilized after a modest reduction during the past 18 months.
- Depressed construction with rental completions well below the average of the last five years should drive improvements in vacancy going forward.



Charlottetown – Tight market as supply has not kept pace with population growth.

Market Fundamentals

- Per capita, amongst the highest rates of immigration in Canada leading to significant population growth.
- Sizable senior population downsizing to rental.
- Limited new construction with only 250 multi-family starts in 2017.
- Rent control limits rental rate growth.



¹ CMHC 2017 Rental Market Report and Fall 2017 Housing Market Outlook and Housing Portal.

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