



Q2-2015
Results
Conference
Call

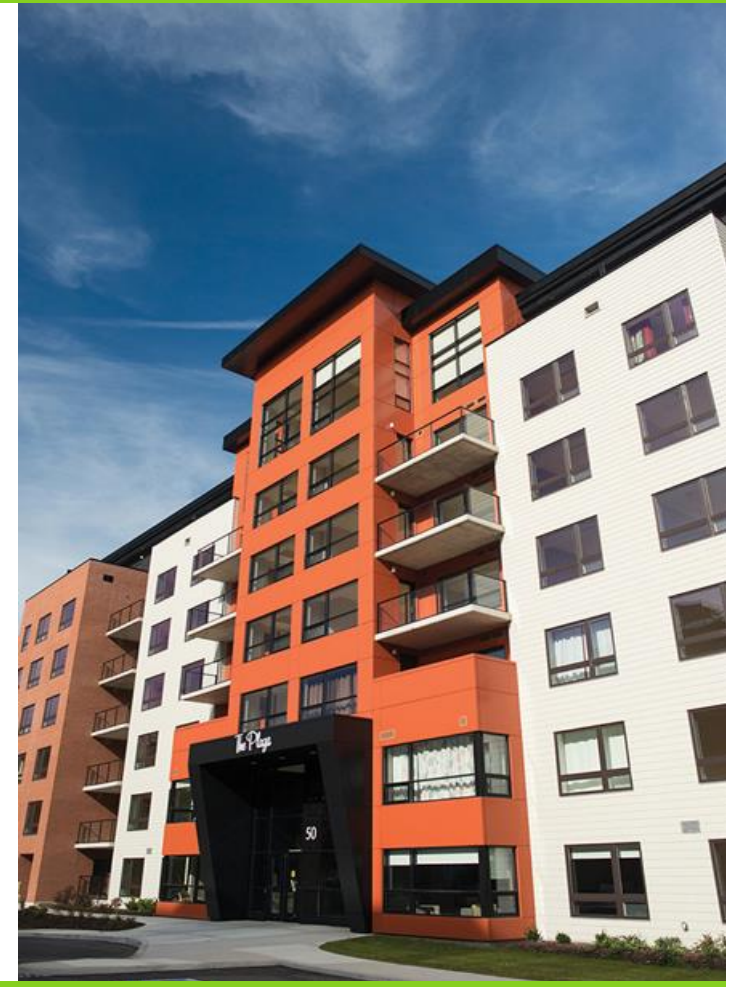
Aug 6, 2015
11 am EST

Cautionary Statement

This presentation may contain forward-looking statements with respect to Killam Properties Inc. 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 Properties Inc. 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’ annual information form and other securities regulatory filings. The cautionary statements qualify all forward-looking statements attributable to Killam Properties Inc. 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.

Highlights from Q2-2015

- Generated FFO per share of \$0.21, a 16.7% increase from \$0.18 in Q2-2014.
- Increased same store rental revenue by 2.3%.
- Achieved same store NOI growth of 4.0%.
- Completed a \$25.3 million development and an \$8.3 million development.
- Achieved interest expense savings, reducing the weighted average interest rate on mortgages to 3.41% at June 30, 2015 from 3.51% at March 31, 2015.



Developments

Saginaw Gardens, Cambridge, ON



- \$25.3 million total development cost
- 122 apartment units
- Completed June 2015
- 72% leased

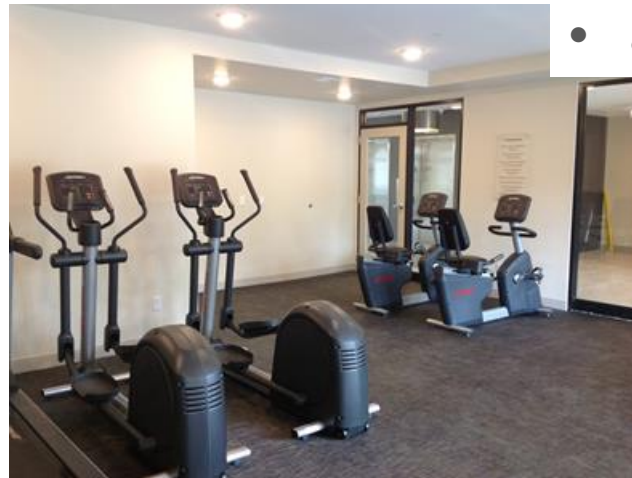
Developments

Saginaw Gardens, Cambridge, ON



- 27 one-bedroom units
- average size - 800 sf
- average price - \$1,170

- 95 two-bedroom units
- average size -1,050 sf
- average price - \$1,520



Acquisitions

20 Technology Drive, Saint John

- \$8.3 million
- 59 units (\$140,000 per unit)
- 6.1% cap rate
- Completed in late 2014



Acquisitions

20 Technology Drive, Saint John

- Insulated concrete form (ICF) construction
- 19 one-bedroom units
- 40 two-bedroom units
- Average rent of \$1,210



Acquisitions

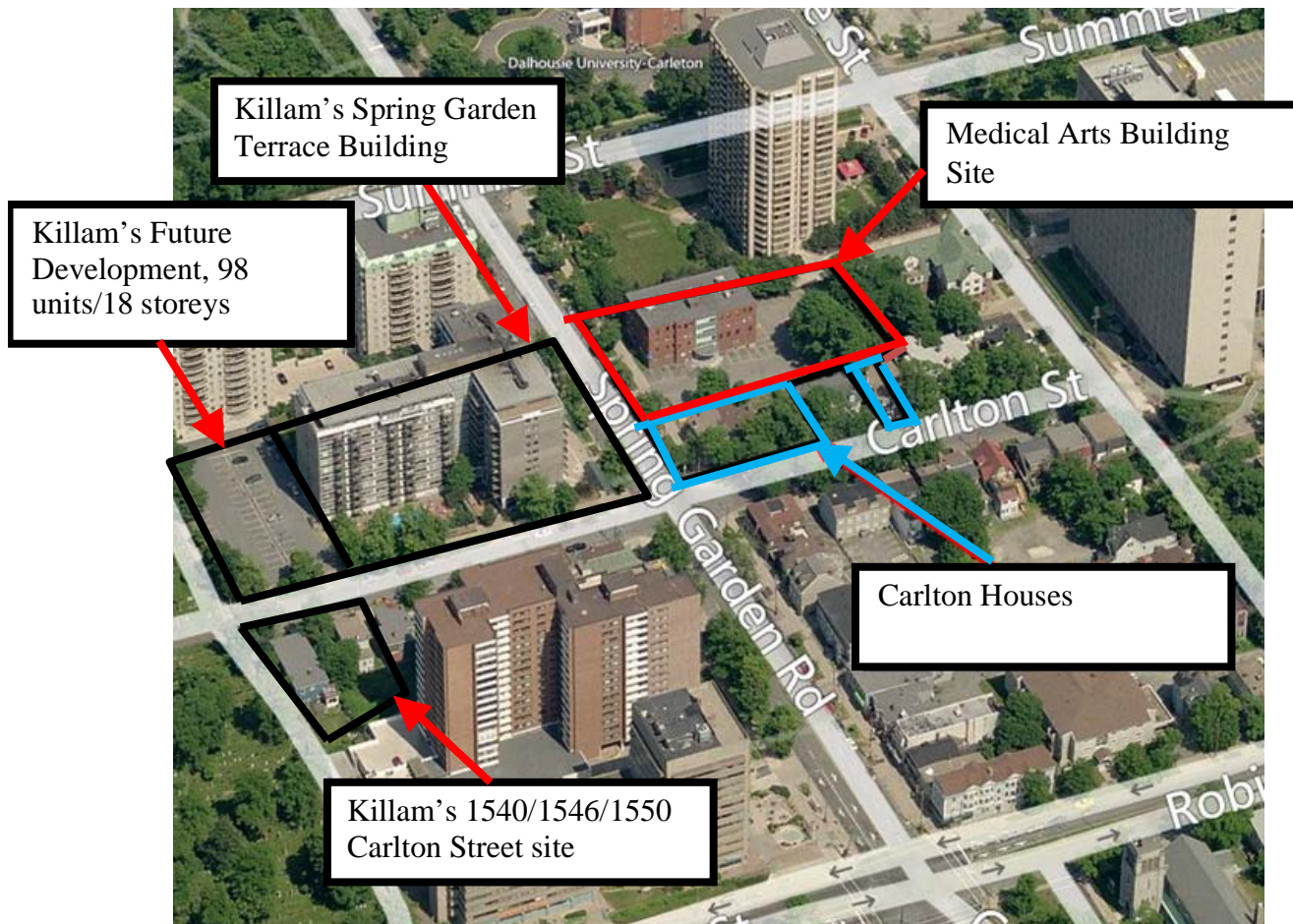
Medical Arts Property, Halifax

- \$8.4 million
- Closed Aug 5, 2015
- Development potential for up to 200 units
- 18,000 square feet of office space at \$25 per square foot (gross)



Acquisitions

Medical Arts Property, Halifax

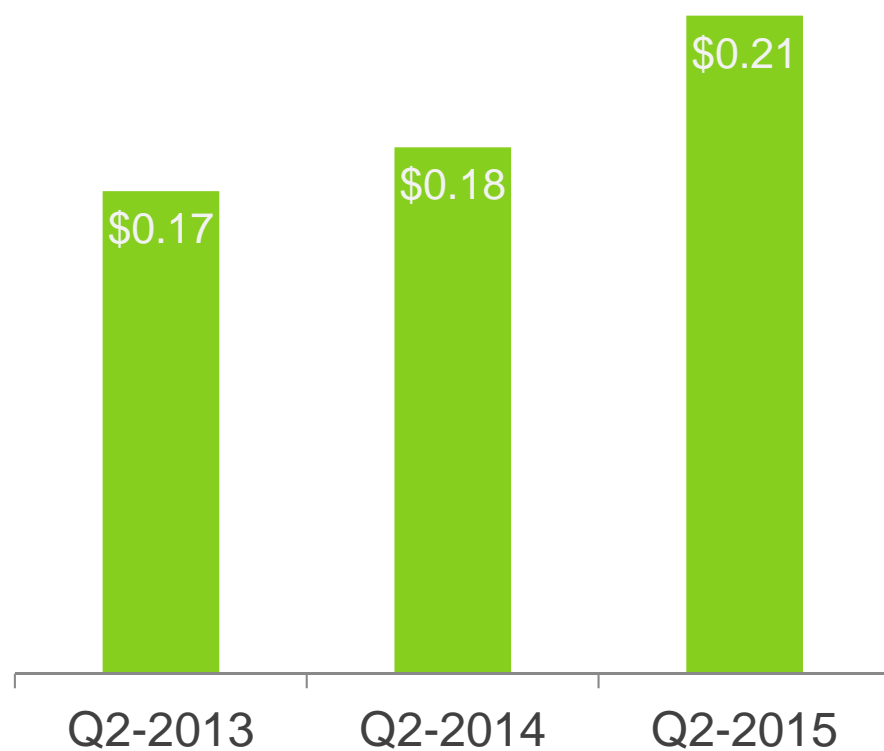


2015 Targets

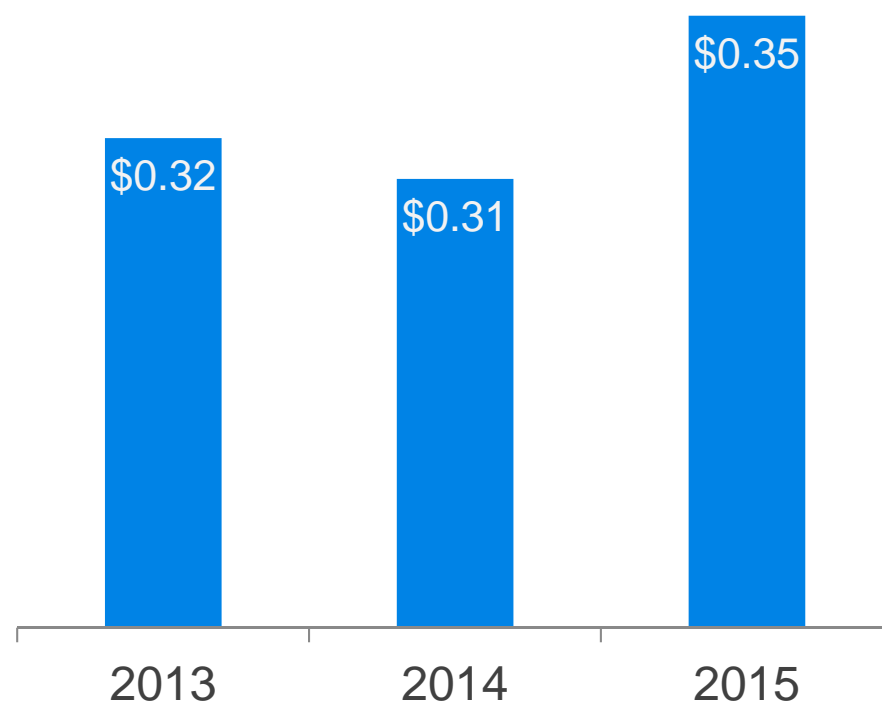
	Acquisitions	% of Acquisitions Outside Atlantic Canada	Same Store NOI Growth
2015 Target	\$75 Million	+50%	0% - 2%
YTD Progress	\$36 Million	0%	4.4%

16% FFO Per Share Growth in Q2-2015

Q2 FFO Per Share



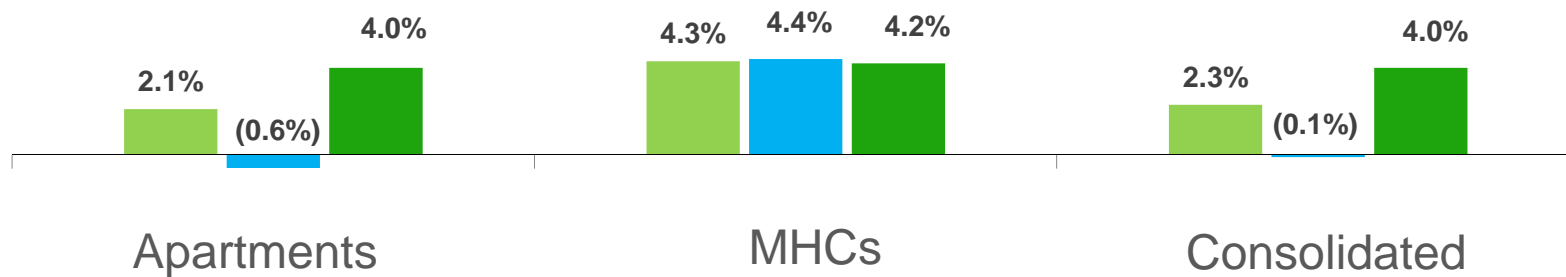
YTD FFO Per Share For the 6 months ended June 30,



4.0% Same Store NOI Growth in Q2

Same Store Results 3 months ended June 30, 2015

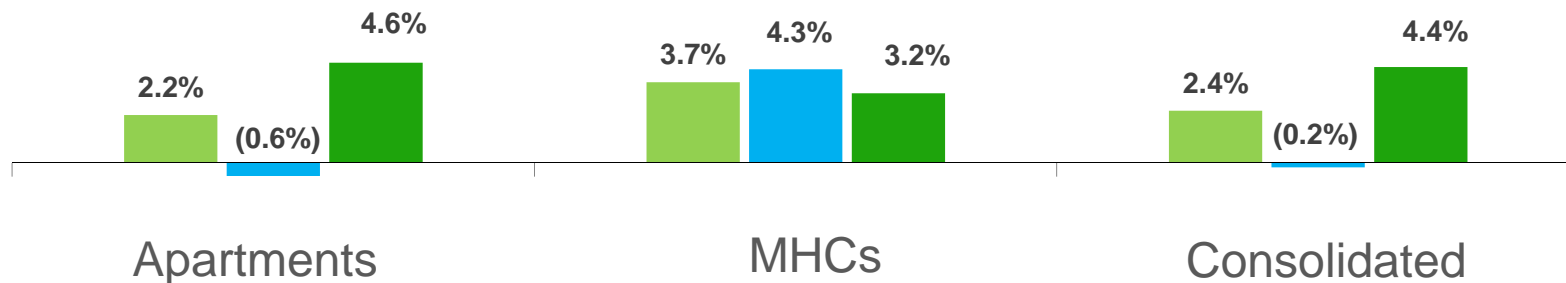
■ Revenue ■ Expenses ■ NOI



4.4% Same Store NOI Growth YTD

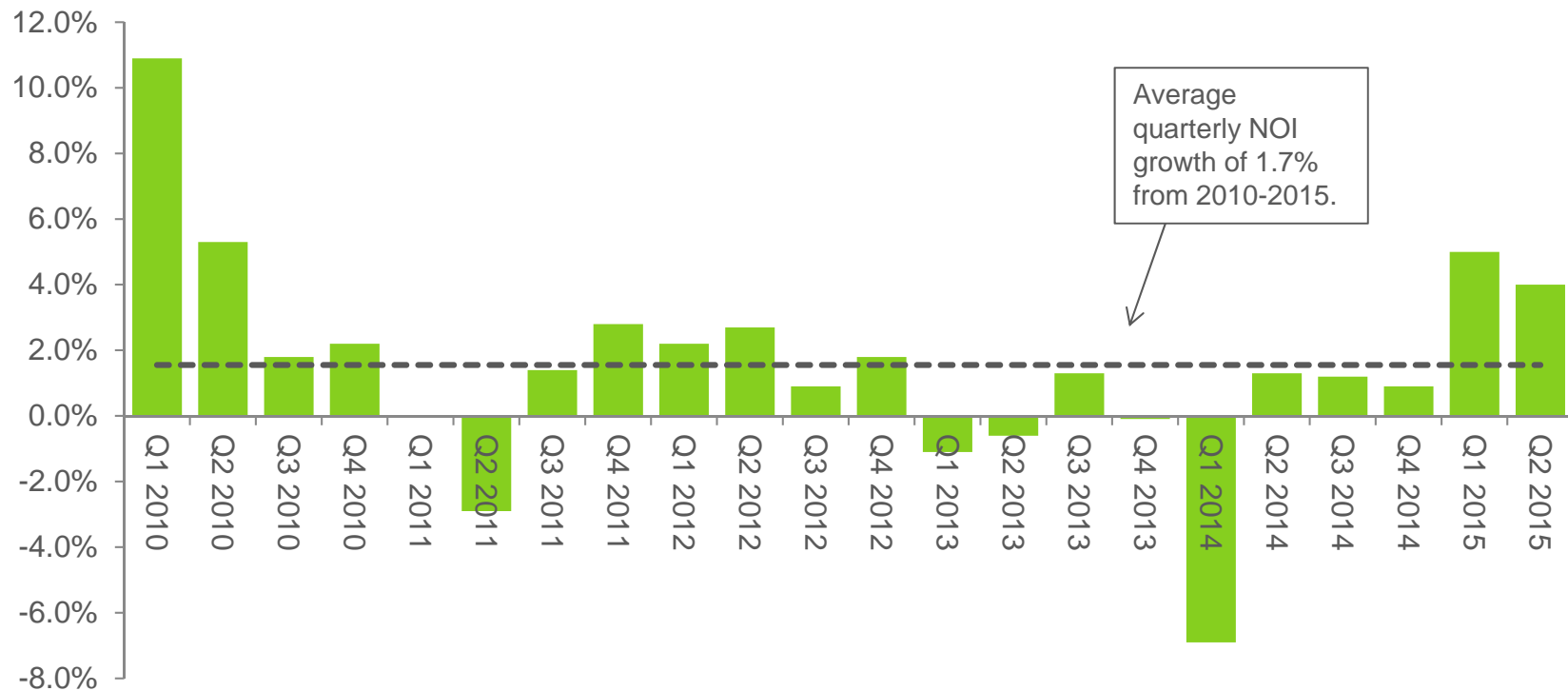
Same Store Results 6 months ended June 30, 2015

■ Revenue ■ Expenses ■ NOI



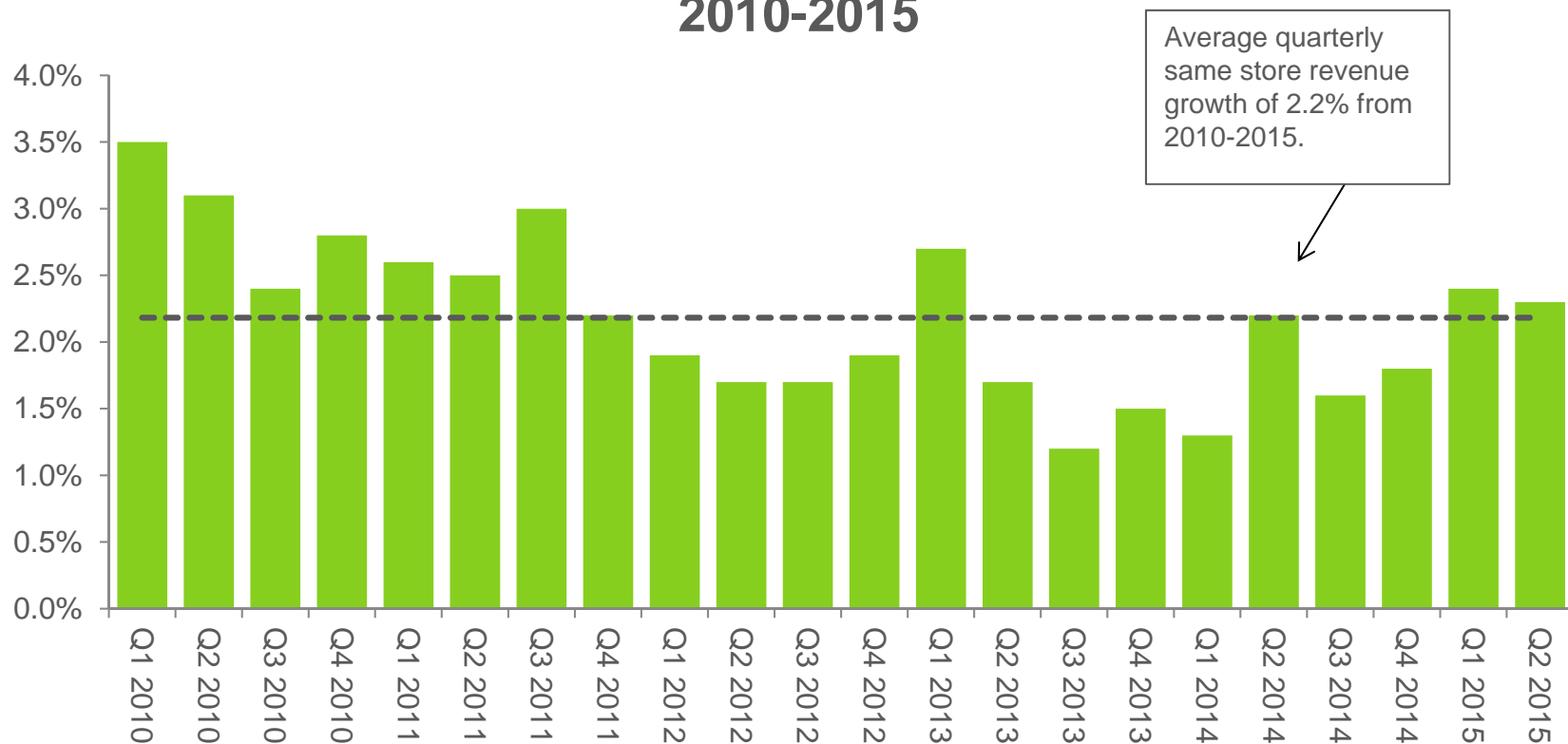
Strong NOI Growth in 2015

Historic Change in Same Store NOI 2010-2015



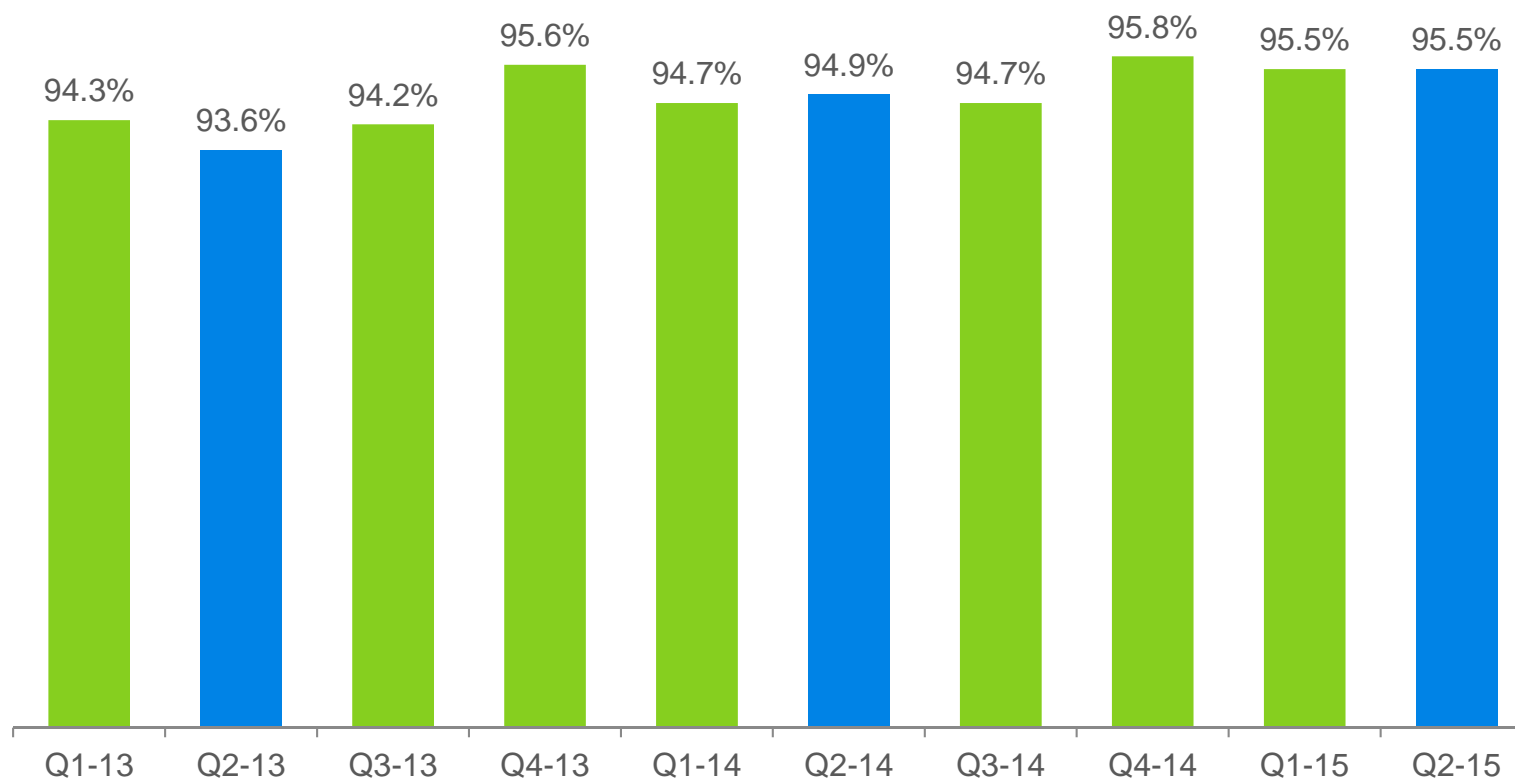
2.3% Same Store Revenue Growth in 2015

Historic Change in Same Store Revenue Growth 2010-2015



60 Basis Point Occupancy Improvement

Apartment Quarterly Occupancy Levels



Continued Decrease in Incentives

Incentives as a Percentage of Rental Revenue *Same Store Apartment Properties*



Efficiency Projects = Savings

Water Consumption Initiatives

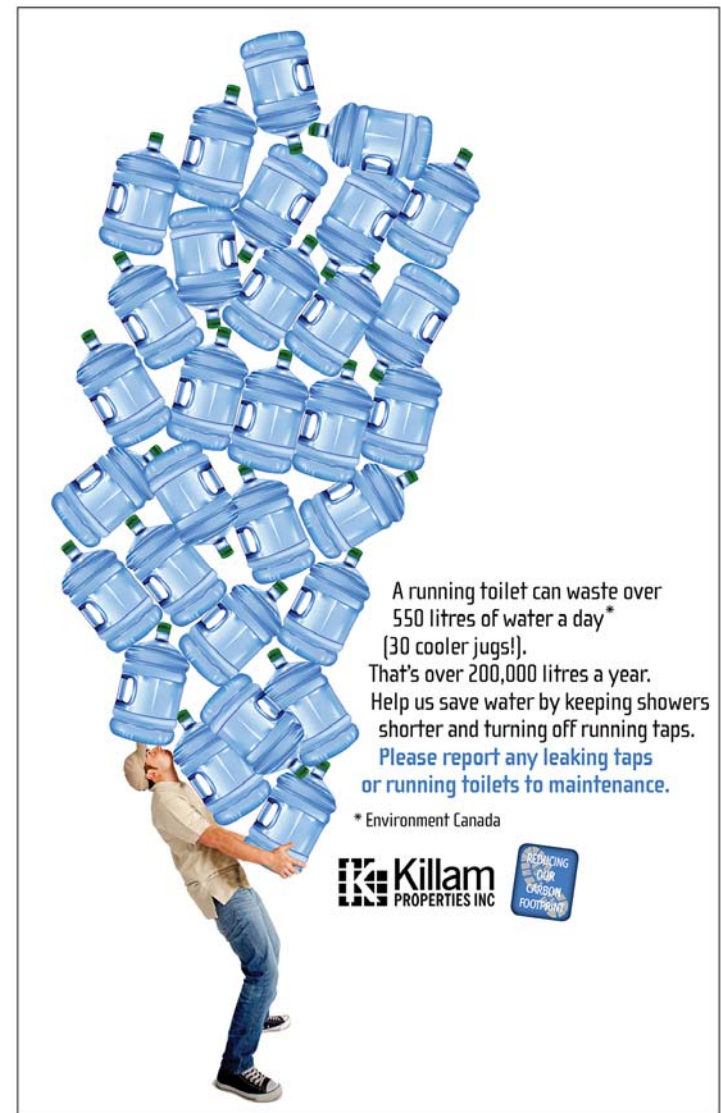
- Installing low-flow toilets in 2,200 units in 9 properties will generate annualized savings of \$270,000.
- Payback of 2.7 years.

Building System Controls

- Installing smart automated controls in the boiler rooms of 10 properties, will conserve \$75,000 in natural gas costs each year.
- Payback of 1.7 years.

Efficiency NS Direct Install Program

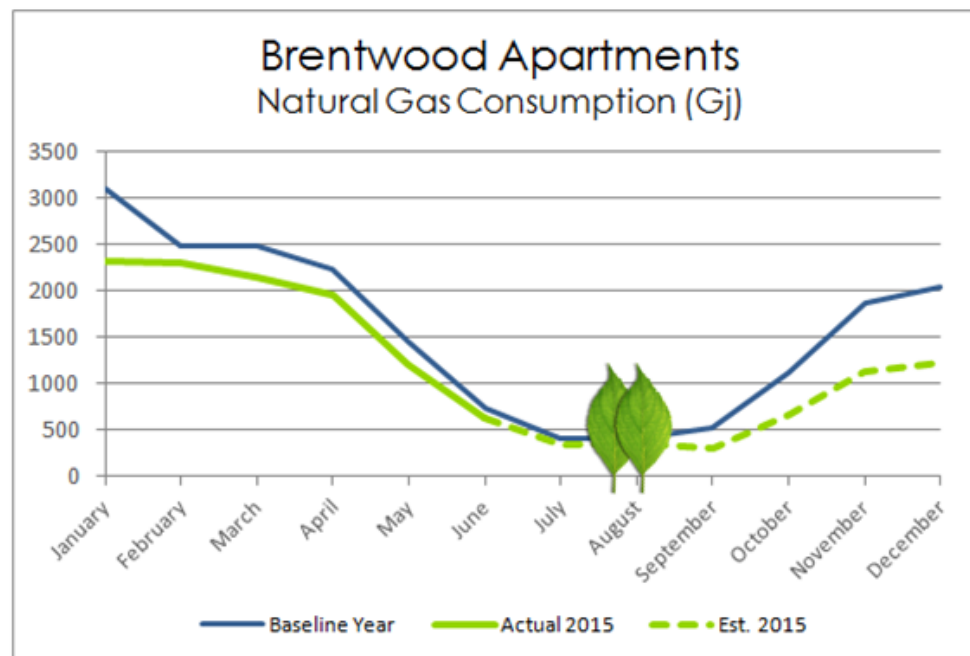
- Upgrading, in partnership with Efficiency Nova Scotia, over 20,000 LED light bulbs and thousands of low-flow showerheads in our largest buildings in Halifax will save tenants over \$140,000 in electricity costs per year, and Killam over \$40,000 in annual water costs.



Efficiency Projects = Savings

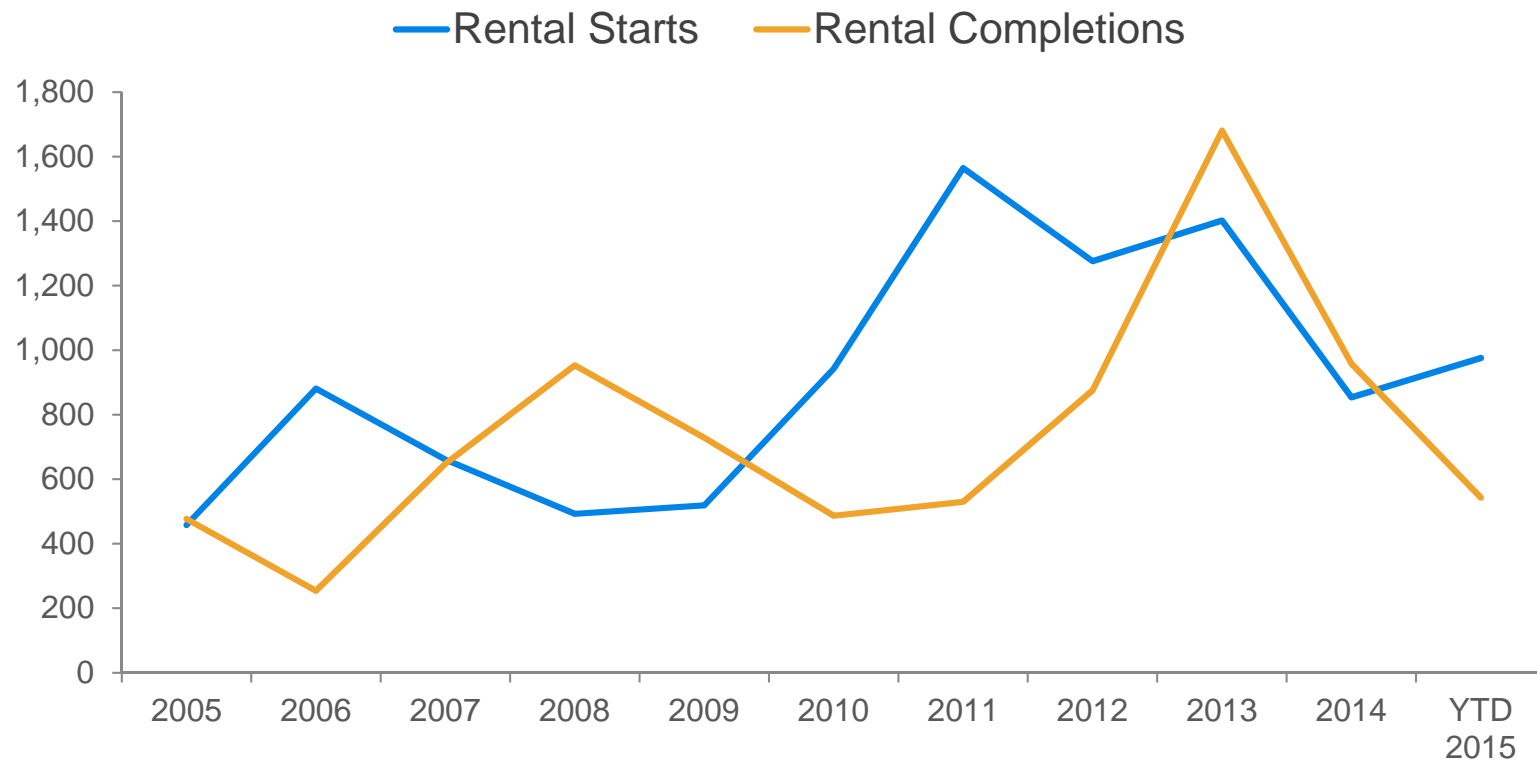
Natural Gas Boiler Replacements

- Upgrading boilers at Brentwood Apartments (Phase 1 - 2014) decreased natural gas consumption by 15% with \$45,000 in annual savings.
- Installing Phase 2 replacements in 2015 will lower consumption by over 40% and provide an additional \$90,000 in annual savings.
- Payback of 3.7 years.



Halifax Apartment Rental Starts Peaked in 2011

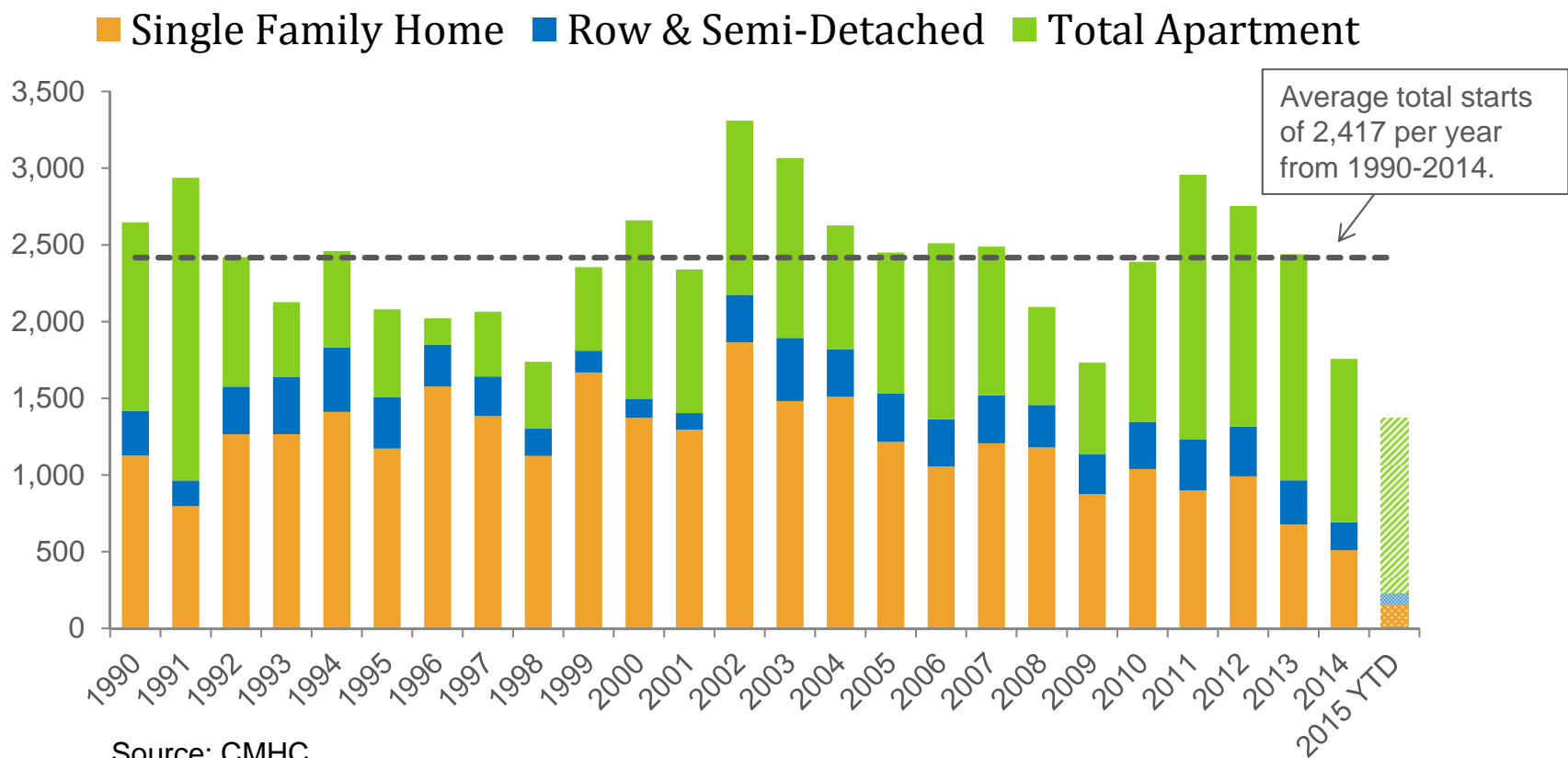
Halifax Rental Apartment Starts and Completions



Source: CMHC

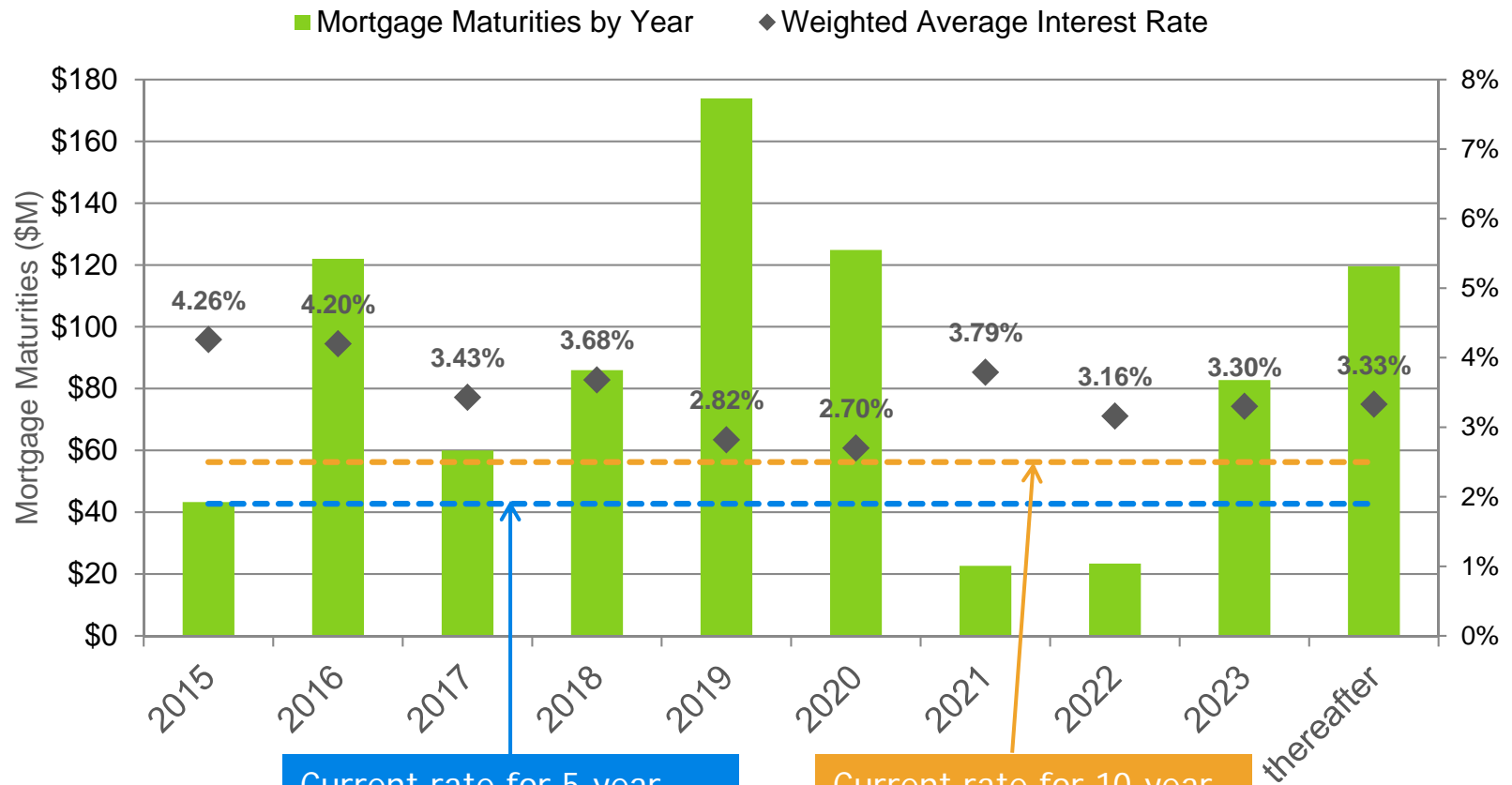
Total Starts in Halifax Were Down in 2014

Halifax New Construction by Type



Interest Expense Savings

Apartment Mortgage Maturities by Year



Current rate for 5-year CMHC insured debt is approximately 1.9%.

Current rate for 10-year CMHC insured debt is approximately 2.5%.

Developments

Future Development Opportunities

Property	City	Development Potential in Units	Status
Developments Underway			
The Alexander - Phase 1*	Halifax, NS	240	Expect to break ground in Q3-15
Southport - Barrington Street	Halifax, NS	70	Under construction Q3-16 completion
Development Opportunities - 2016			
Silver Spear*	Mississauga, ON	110	In design and approval process
Saginaw Phase II	Cambridge, ON	93	In design and approval process
Future Development Opportunities - 2017 and beyond			
Spring Garden Terrace Land	Halifax, NS	98	Approved development agreement
The Alexander - Phase 2*	Halifax, NS	50	As of right
Carlton Houses	Halifax, NS	70	Future development
Medical Arts (Spring Garden)	Halifax, NS	200	Future development
1335 Hollis Street	Halifax, NS	30	Future development
Block 4	St. John's, NL	80	As of right
Topsail Road	St. John's, NL	225	Approved development agreement
Archibald Street	Moncton, NB	40	Approved development agreement
Total Development Opportunities		1,306	

* 50% ownership

Developments

Southport, Halifax, NS

- \$14.7 million development cost for 70 apartment units
- Completion scheduled for Q3-2016
- Common amenities include a common room, fitness room, patio.



Developments Southport, Halifax, NS



Developments Southport, Halifax, NS



Developments

The Alexander (Phase I), Halifax, NS



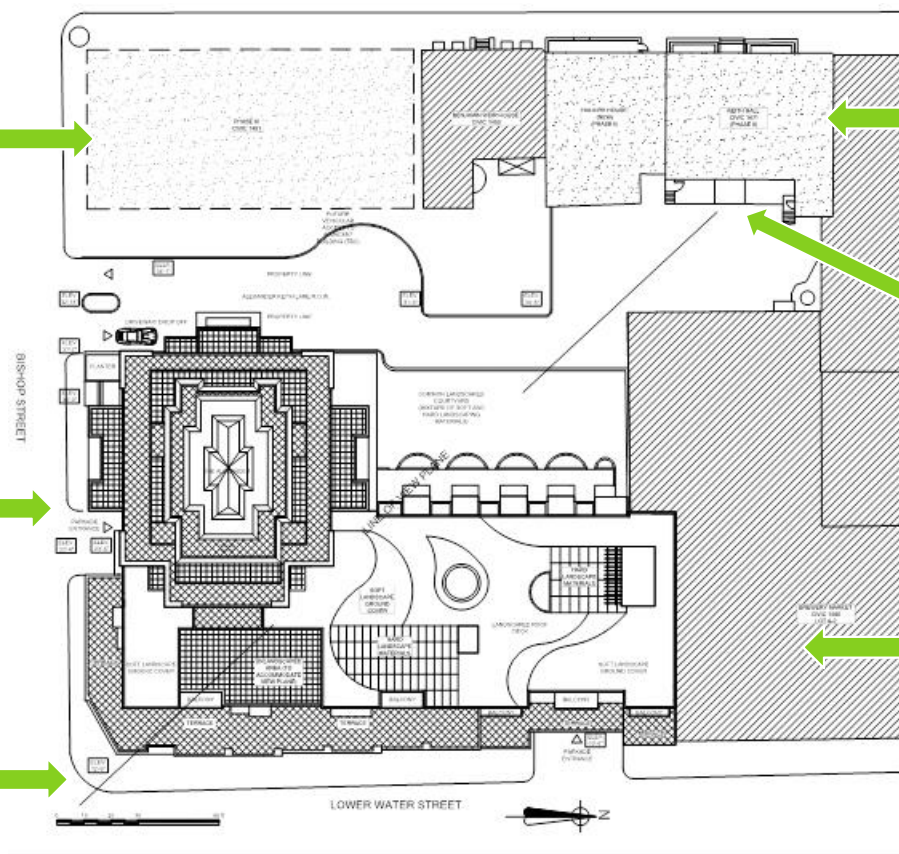
- 240 apartment units
- 24 storeys
- Units size from 550-1,470 square feet
- 6,200 square feet of retail space
- 230 underground parking stalls
- Common amenities include fitness room, common rooms and landscaped roof-top deck on the five storey building

Developments

The Alexander, Halifax, NS

Phase II
50 units

Phase I
240 units +
6500 sf commercial





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