Q2-2019 Results Conference Call

August 14, 2019 |9AM Eastern

Killam APARTMENT REIT

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.

Q2-2019 | Highlights

Killam APARTMENT REIT

SP Apartment Occupancy 97.1%

12.9% FFO Growth

$70M in Fair Value Gains

3.21x Interest Coverage

3.7% Same Property (SP) NOI Growth

Debt to Total Assets of 47.7%

Normalized Debt to EBITDA of 10.35x

5.7% increase in Average Rental Rate

20 bps improvement in SP NOI Margin

2.95% weighted average mortgage interest rate

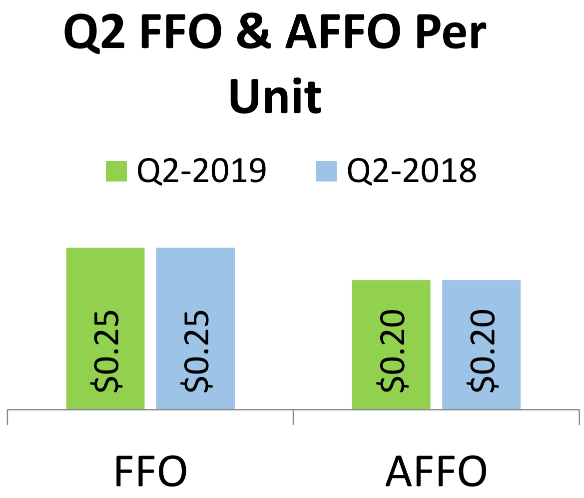
AFFO Payout Ratio of 84%

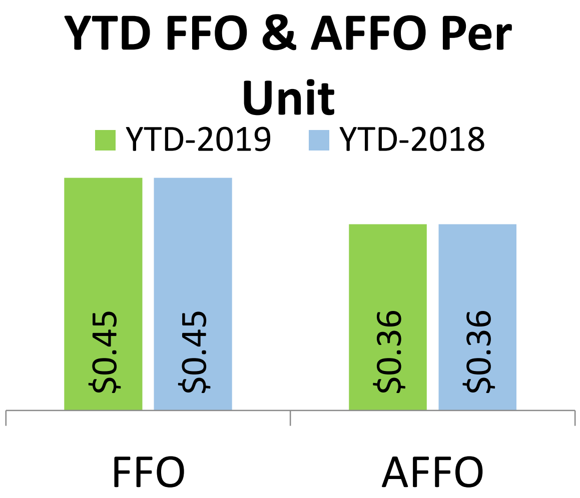
Q2-2019 | Strategic Achievements

Killam APARTMENT REIT

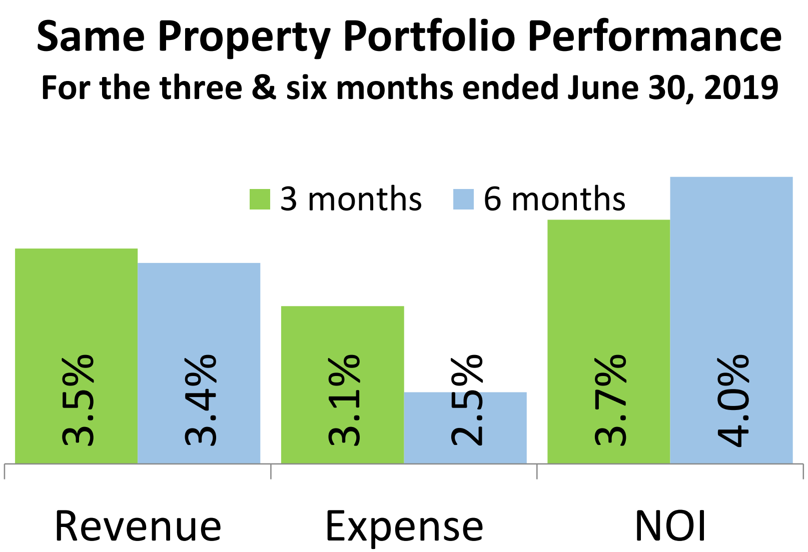
2019 Target	Q2-2019 Performance
Same Property NOI Growth of 3% to 5%.	3.7% Same Property NOI growth.
Grow the portfolio to over $3.0 billion by the end of 2019, with a minimum acquisition target of $100 million.	~ $3.1 billion in assets as at Q2-2019. Completed $135.9 million of acquisitions year-to-date.
Earn at least 30% of 2019 NOI outside Atlantic Canada.	~ 28% of Q2-2019 NOI was generated by properties in Ontario and Alberta. 30% of 2019 forecasted NOI outside Atlantic Canada.
Complete Phase I of the Ottawa development, break ground on Silver Spear II and one additional development project.	Ottawa development opened on June 1st. Broke ground on Gloucester Phase II (Latitude) and started site work on Silver Spear II (The Kay).
Maintain debt as a percentage of assets ratio below 49%.	47.7% debt to assets ratio at June 30, 2019.

Q2-2019 | Financial Highlights





- FFO growth attributable to increased NOI from strong same property performance and contributions from recent acquisitions and completed developments.
- Per unit growth offset by
  - $0.2 million of non-recurring marketing costs associated with the Frontier;
  - $0.1 million associated with redevelopment of the Brewery; and
  - $0.5 million of timing differences related to energy and natural gas costs.

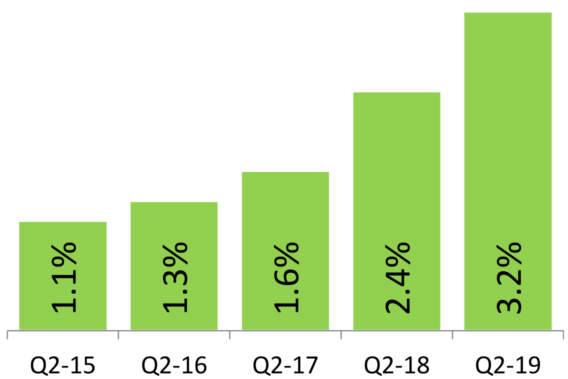


Q2-2019 | Financial Highlights

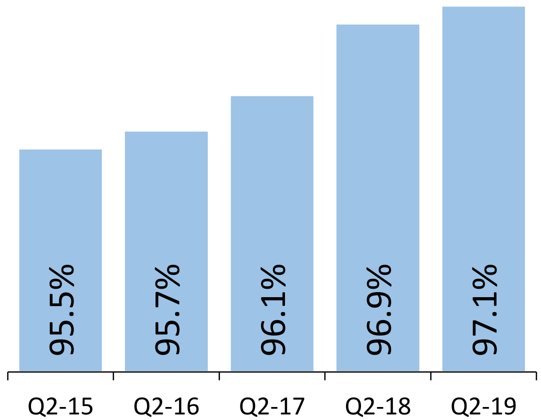
Strong revenue growth.

- Increasing rental rates: Rate increases on renewals of 2.0%, on turns of 5.6% and repositionings of 30.0%, averaged **3.2%** in Q2-2019.
- Strong occupancy: Highest Q2 occupancy in Killam's history.
- Reduced incentives: Minimal incentives currently required with strong market fundamentals.

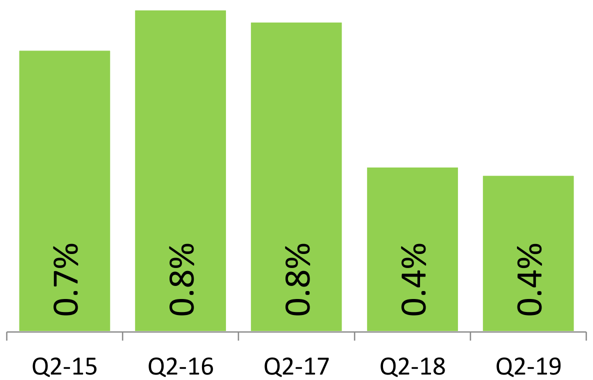
Apt Same Property Avg Rental Rate Increase



Apt Same Property Occupancy[1]



Apt Same Property Incentive Offerings[2]



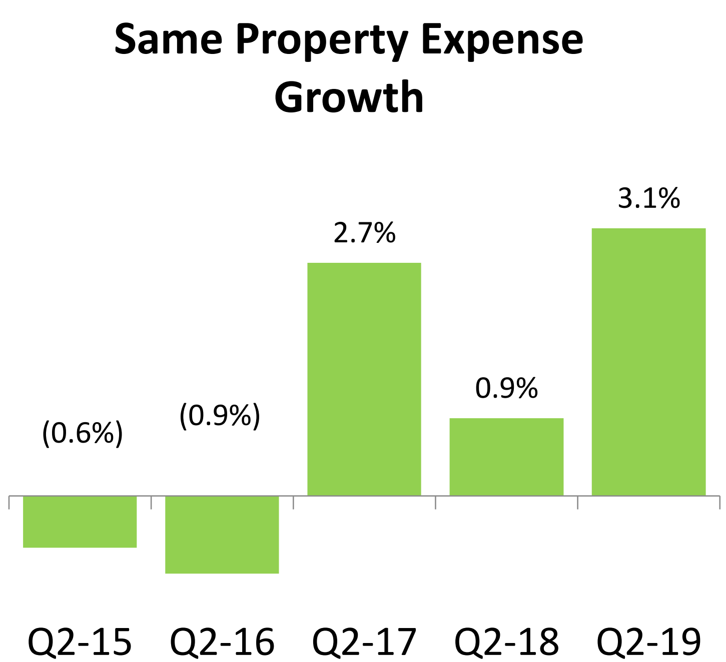
1 Measured as dollar vacancy for the quarter.
2 Measured as a percentage of residential rent.

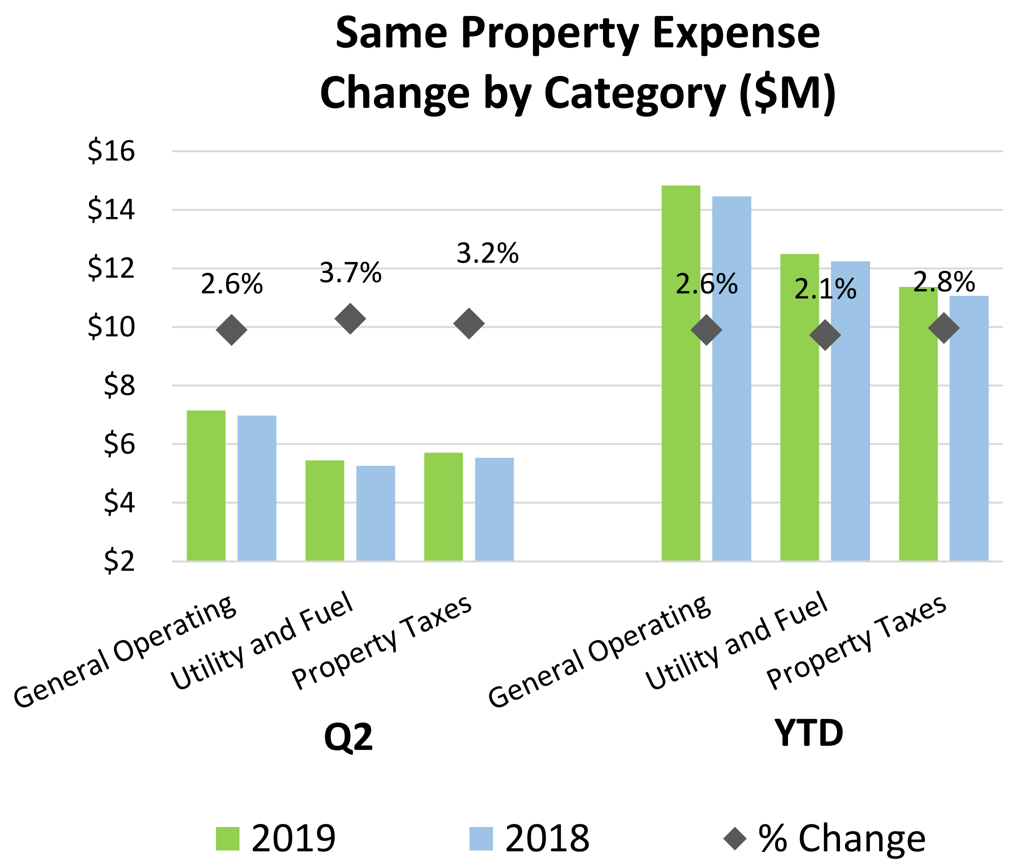
Q2-2019 | Financial Highlights

Killam APARTMENT REIT

Managing expenses to increase same property earnings.

- Investing in energy and water conservation initiatives.
- Maximizing economies of scale.
- Successfully appealing property tax assessments.

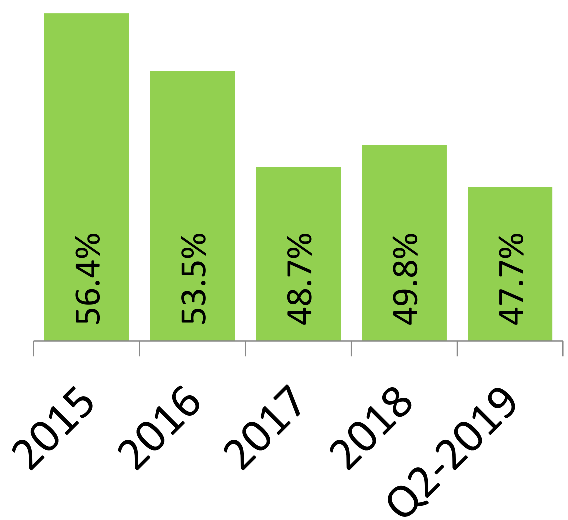




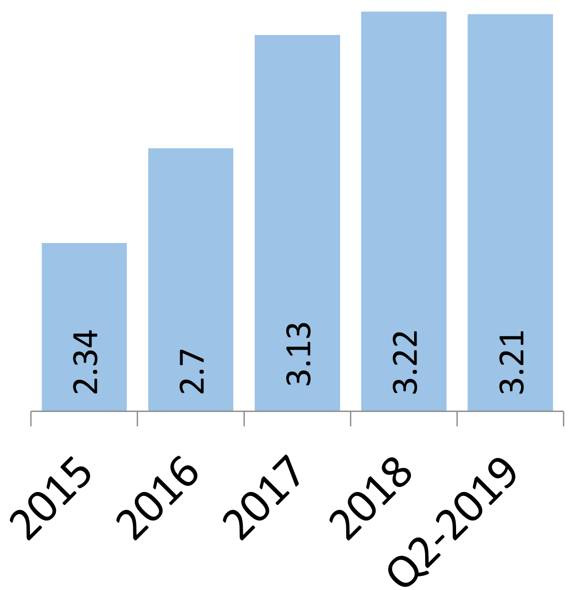
Q2-2019 | Financial Highlights

Managing balance sheet with conservative leverage.

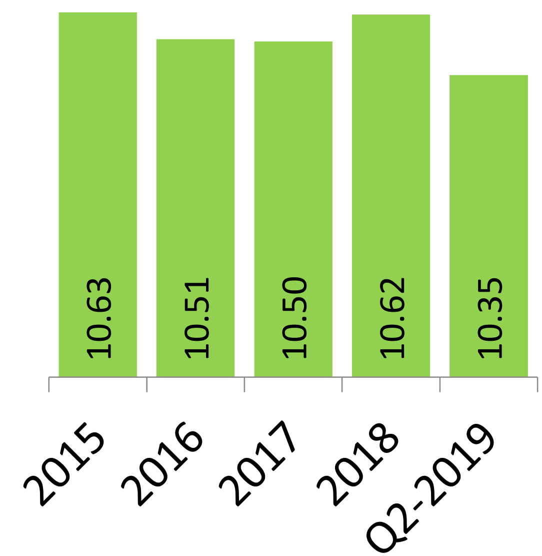
Debt as a Percentage of Assets



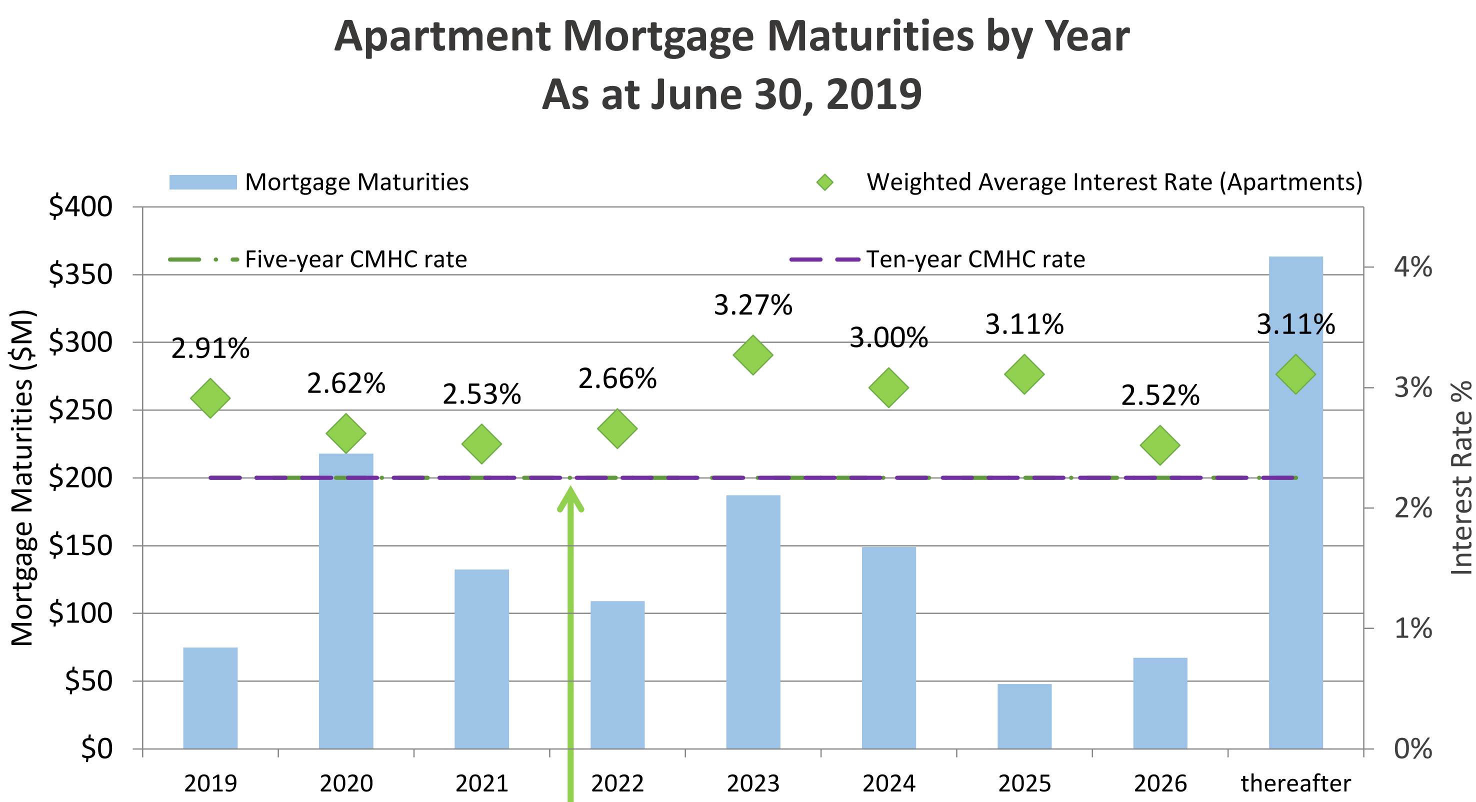
Interest Coverage Ratio



Debt to Normalized EBITDA



Q2-2019 | Financial Highlights



Current rate for both 5-year and 10-year CMHC insured debt is approximately 2.25%.

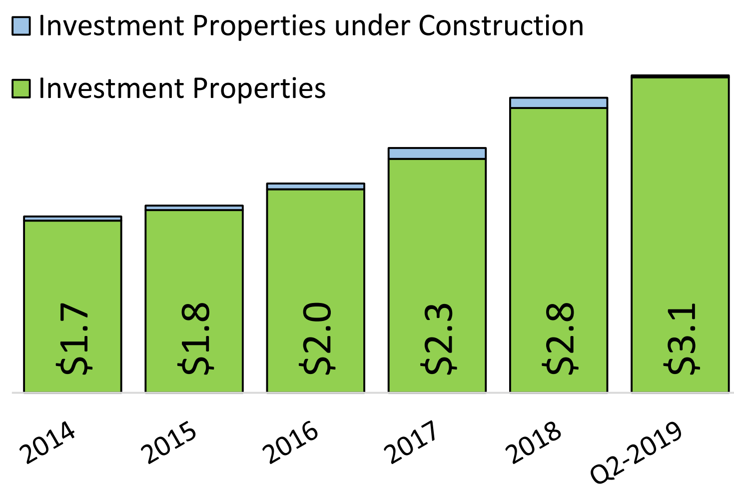
Current Weighted Average Interest Rate of 2.95%

84% of Apartment Mortgages CMHC Insured

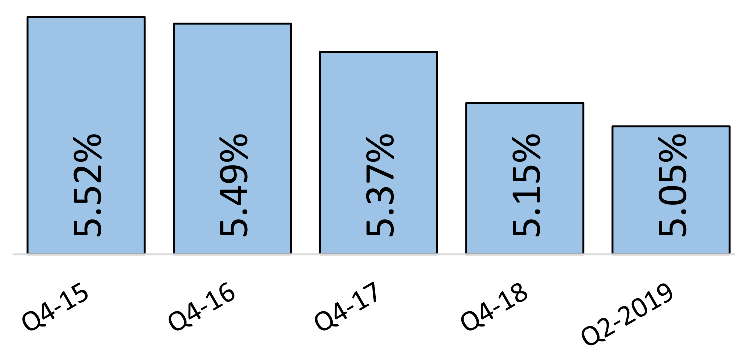
Weighted Average Term to Maturity of 4.6 years

Increasing value of investment properties.

Investment Properties ($ billions)



Weighted Average Apartment Cap-Rates



Q2-2019 | Growing FFO & NAV

Killam's strategy to increase FFO, NAV and maximize value is focused on three priorities:

Increase earnings from existing portfolio.

Expand the portfolio and diversify geographically through accretive acquisitions, targeting newer properties.

Develop high-quality properties in Killam's core markets.

Q2-2019 | Accretive Capital Allocation

Development

Invest in developing high-quality energy efficient assets.

JV Investment

Invest in joint development opportunities to maximize growth potential.

Acquisitions

Acquire high-quality multi-residential assets.

Intensification

Intensifying existing assets with multi-residential developments.

NOI Enhancing Cap Ex

Invest in energy-efficiency initiatives, suite upgrades and building upgrades.

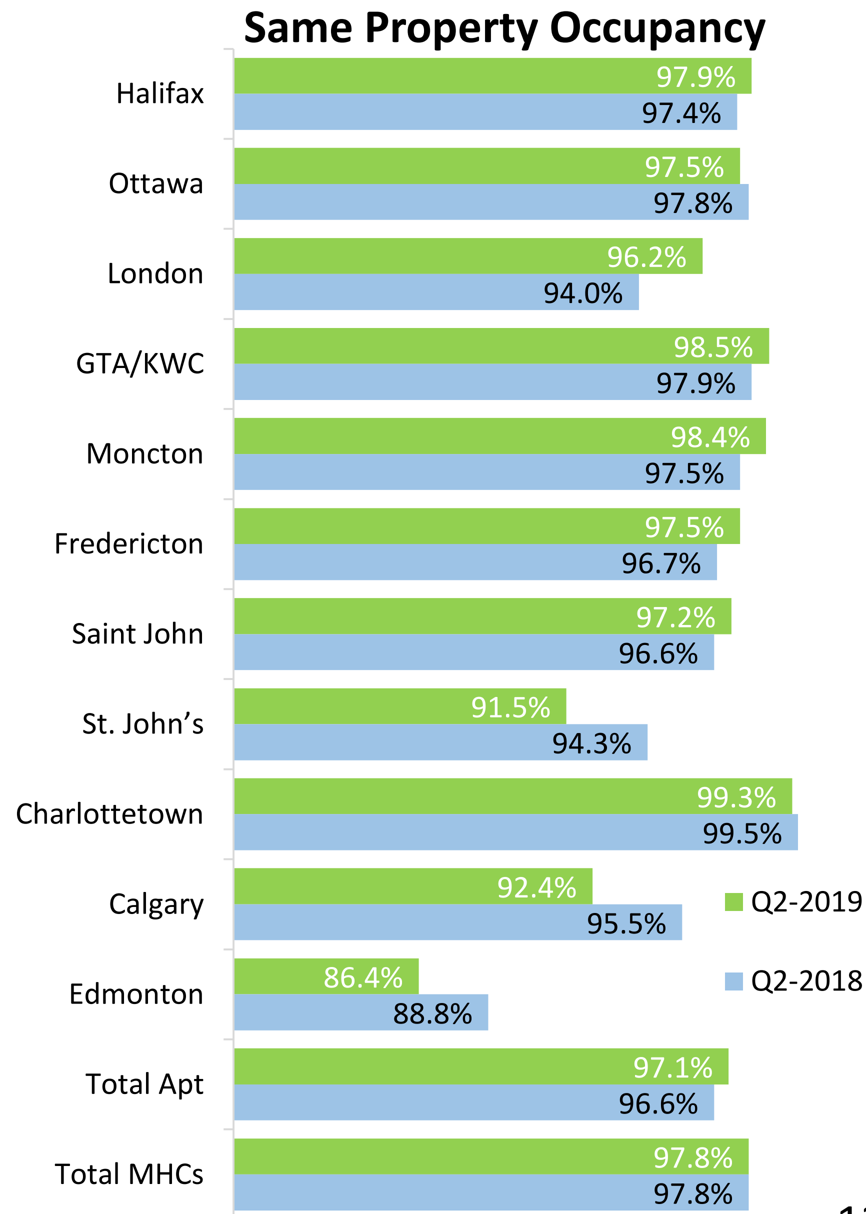
Dispositions

Dispose of select properties to provide capital to acquire newer/higher earning assets.

Q2-2019 | Increasing Revenues to Grow NOI

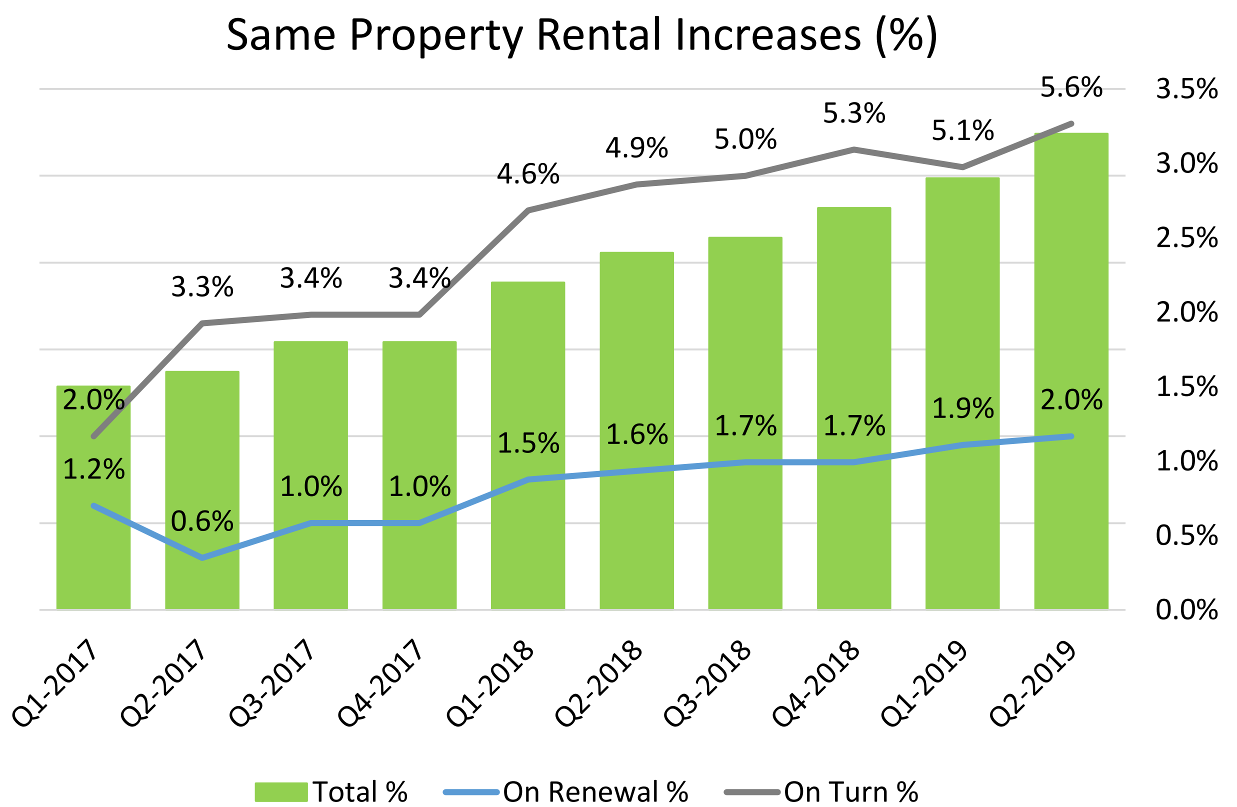
Driving revenues through increased occupancy and rental rates, as well as fewer rental incentive offerings.

	Same Property Average Rent		
Region	**Jun 2019**	**Jun 2018**	**% Change**
Halifax	$1,072	$1,034	3.7% ↑
Ottawa	$1,668	$1,615	3.3% ↑
London	$1,288	$1,248	3.2% ↑
GTA/KWC	$1,439	$1,384	4.0% ↑
Moncton	$882	$853	3.4% ↑
Fredericton	$975	$946	3.1% ↑
Saint John	$824	$789	4.4% ↑
St. John's	$985	$978	0.7% ↑
Charlottetown	$962	$940	2.3% ↑
Calgary	$1,190	$1,149	3.6% ↑
Edmonton	$1,461	$1,478	(1.2)% ↓
Total Apt	**$1,059**	**$1,026**	**3.2%**
Total MHCs	**$256**	**$251**	**1.9%**



Q2-2019 | Increasing Revenues to Grow NOI

With continued high occupancy levels, increasing rental rates is a key focus for revenue optimization.



Same property rental rate growth has accelerated ~20 bps in each of the past six quarters, from 1.8% in Q4-2017 to 3.2% in Q2-2019.

Q2-2019 | Increasing Revenues to Grow NOI

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Driving revenues through unit repositionings to meet market demand, maximize NOI growth and investment returns.

YTD-2019

- **~186** Units started in 2019
- **13%** ROI
- **$26k** Avg Investment
- **$280** Avg Mthly Rental Rate Lift

2019 Target

- **300+** Unit Repositions
- **~$7-9M** Investment
- **~$1.0M** Annualized Revenue

Total Opportunity

- **3,000** Unit Repositions
- **$60-80M** Investment
- **$10M** Annualized Revenue

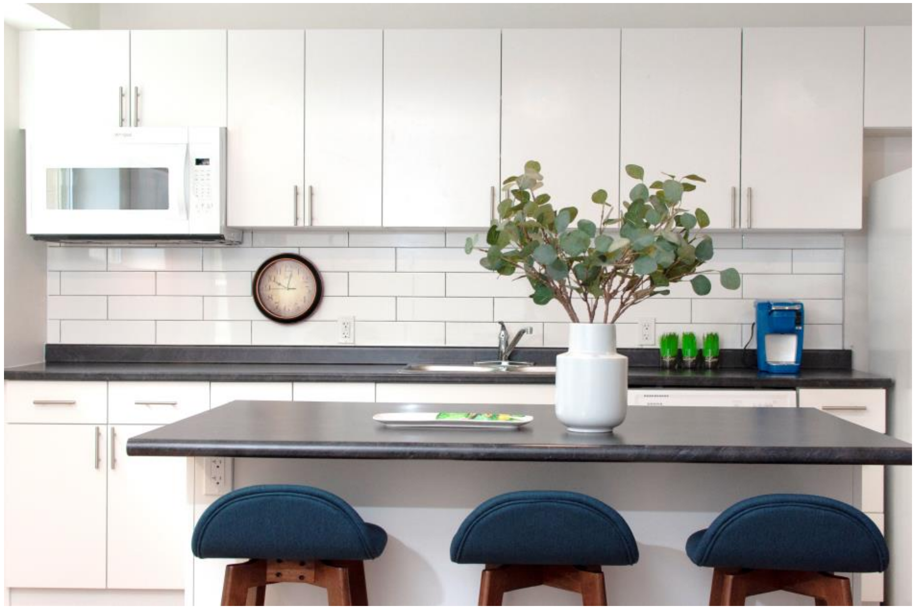
Repositioned Units

*forecast

Based on a 5% cap rate this investment would increase NAV by ~$195M.

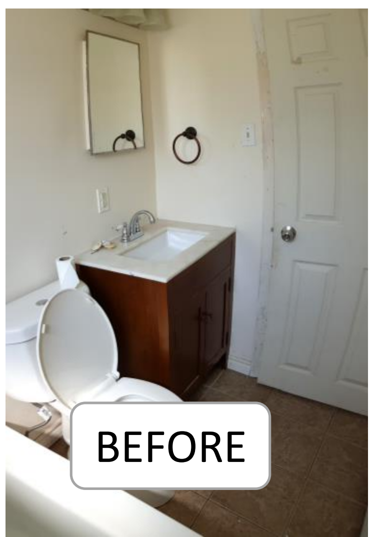
Q2-2019 | Increasing Revenues to Grow NOI

Westminster, London (106 units) | Growing revenues through repositioning units



Suite Repositionings

- $32k - Average investment per unit
- 44% - Average rent lift
- 13% - Average ROI
- $350 Avg monthly increase

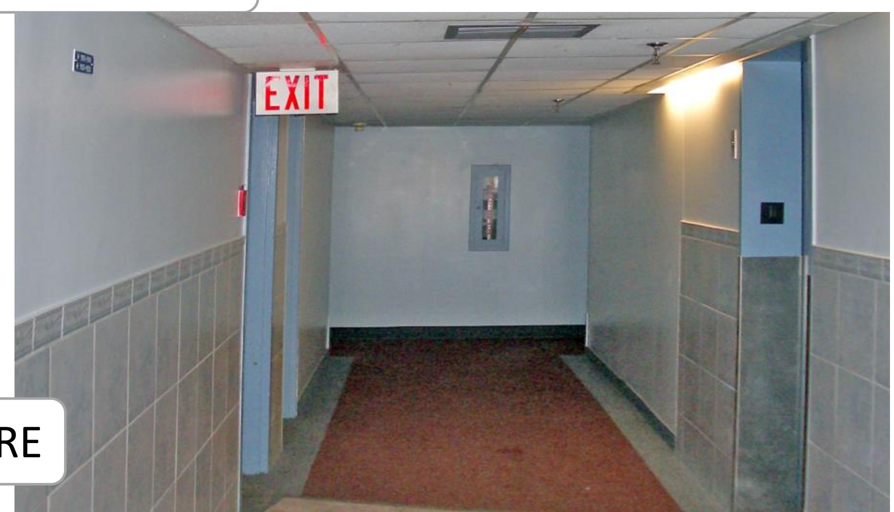


Q2-2019 | Increasing Revenues to Grow NOI

Quinpool Tower, Halifax (233 units) | Investing in common area upgrades

AFTER

Common area upgrades



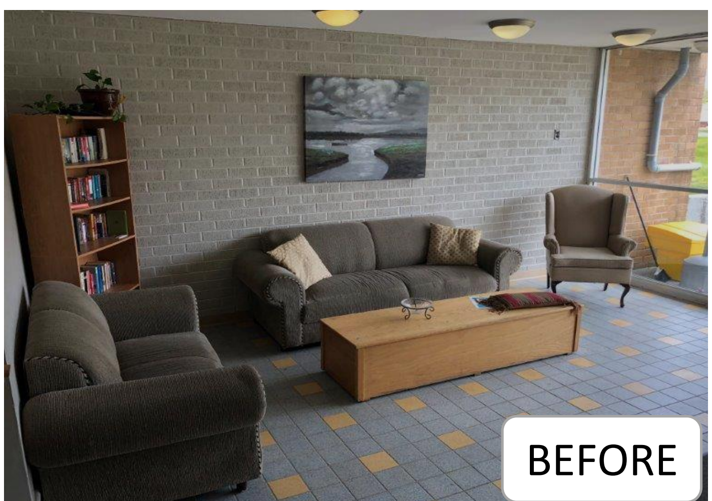
BEFORE

Q2-2019 | Increasing Revenues to Grow NOI

Investing in both unit and common area upgrades to increase curb appeal and revenues

AFTER

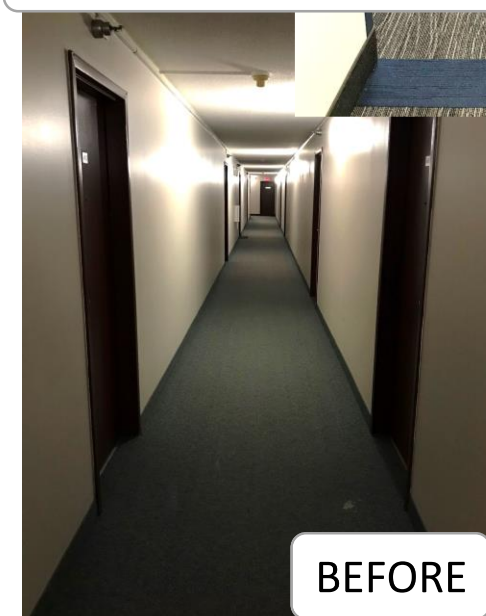
Torbay, St. John's (84 units)



BEFORE

Quinpool Court, Halifax (198 units)

AFTER



BEFORE

Q2-2019 | Advancing with Technology

Next Priorities:

- Implementing rent optimization software
- Maximizing functionality of current suite of products
- Continuous efficiencies of internal processes

Q2-2019 | Leveraging Technology

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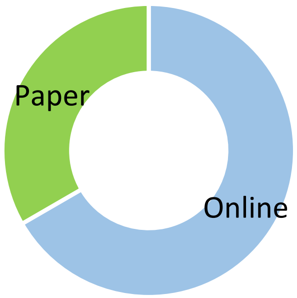
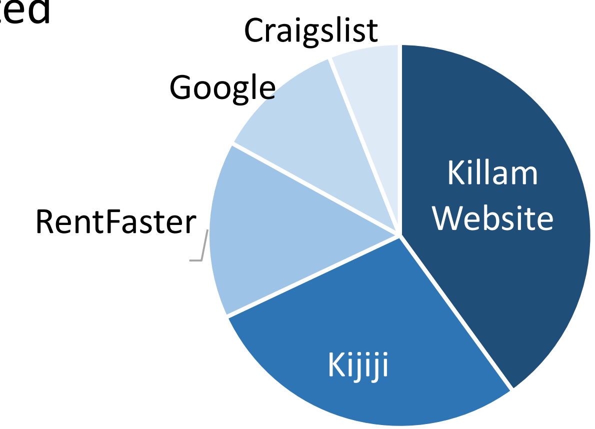
Data Analytics Drive Decisions

- Showing and Lease Conversion Ratios
- Average Response Time
- Traffic By Source
- Leads By Hour
- Daily Traffic Trends
- Email Response Time
- Average Age of Customer Inquiry
- Effectiveness of Campaigns
- Staff Performance
- Resource Workload Volumes

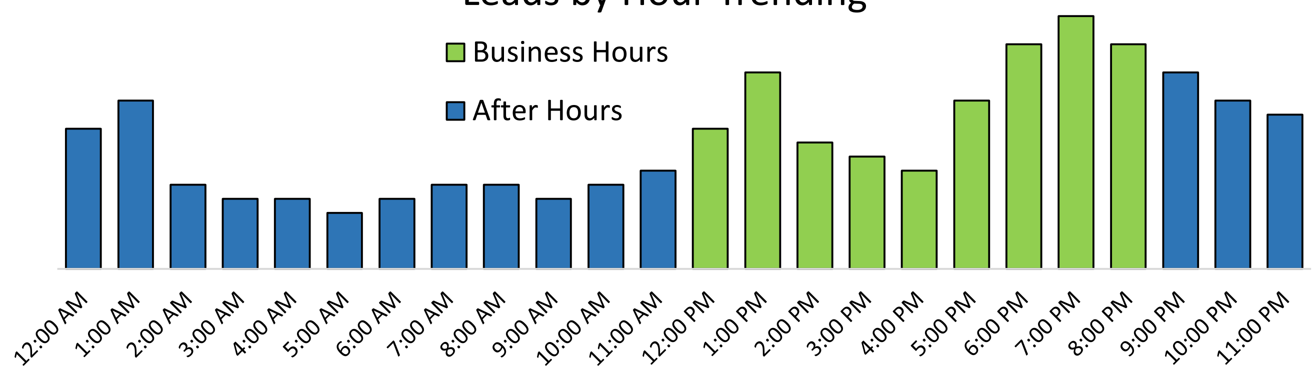
Applications Completed



Traffic by Source



Leads by Hour Trending

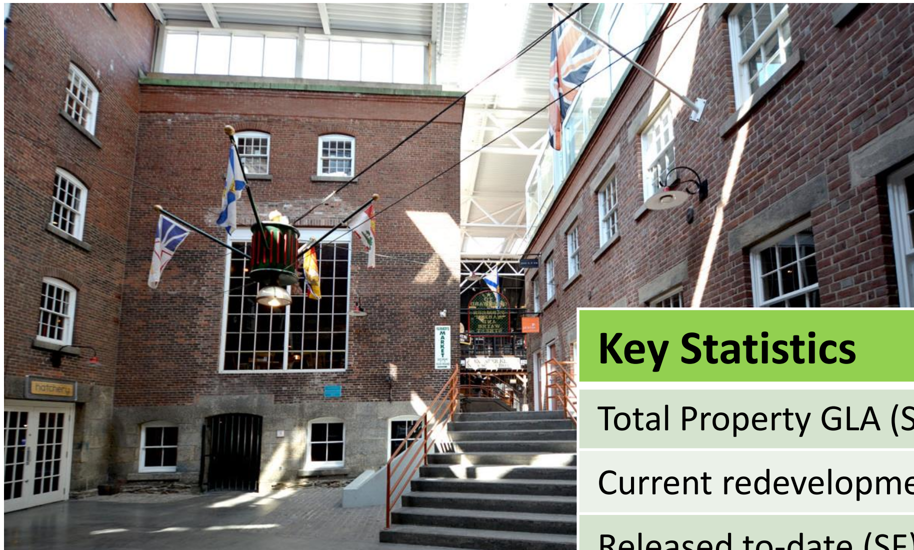


CRM implementation was 100% complete in March 2019.
This CRM investment will optimize rents and minimize vacancy, increasing NOI.

Q2-2019 | Redevelopment to maximize potential

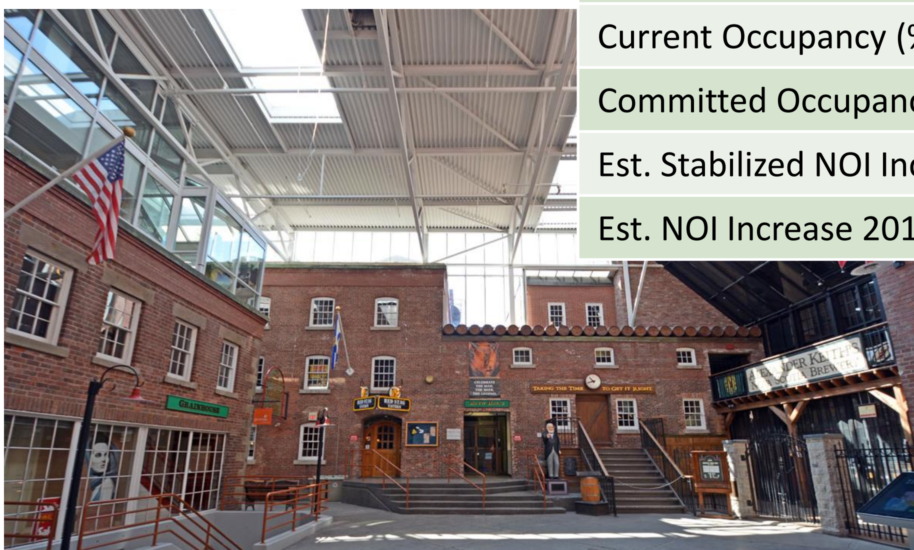
Repositioning the 158,000 SF Brewery Market, located adjacent to The Alexander (240 units).

Q2-2019 |Redevelopment to maximize potential

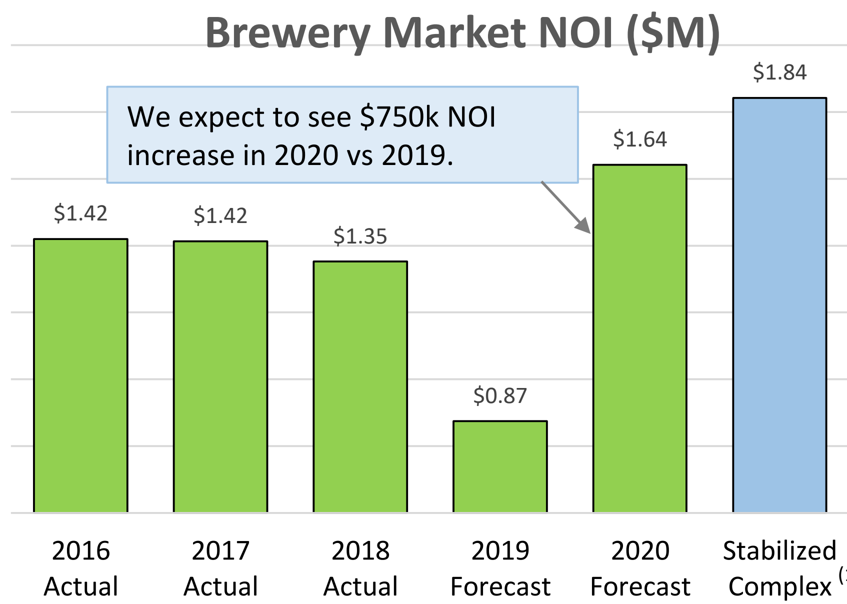


Key Statistics

Total Property GLA (SF)	158,000
Current redevelopment (SF)	54,000
Released to-date (SF)	29,000
Current Occupancy (%)	66%
Committed Occupancy (%)	84%
Est. Stabilized NOI Increase	\$230k
Est. NOI Increase 2019 vs. 2020	\$750k

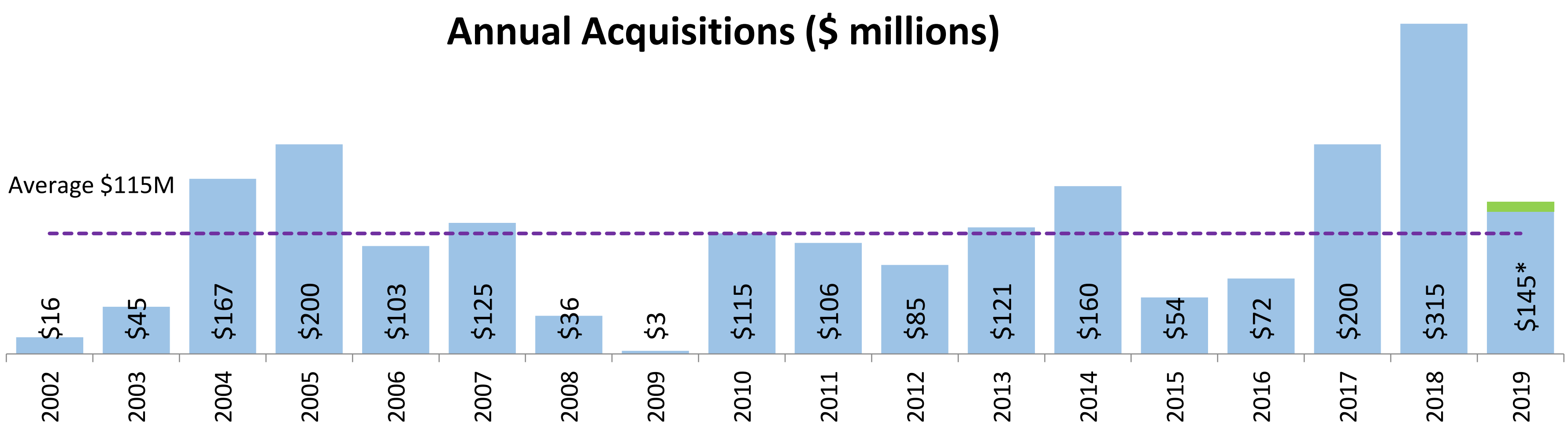


Q2-2019 | Redevelopment to maximize potential

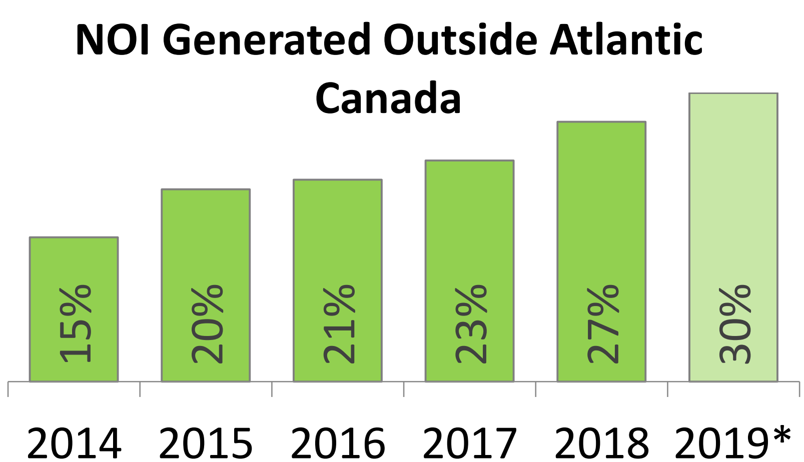


(1) Includes all commercial space in the Brewery Market/Alexander block.

YTD-2019 | Acquisitions



* Killam closed $135.9 million in acquisitions as at August 14, 2019, with an additional $9.2 million in acquisitions announced and expected to close in Q3-2019.



***Based on its current portfolio, Killam forecasts that 30% of 2019 NOI will be generated outside Atlantic Canada.**

YTD-2019 Acquisitions | Charlottetown Mall

Description:
- 32 acre commercial site
- 352,450 SF grocery anchored enclosed retail complex
- Residential development opportunity with excess surface parking to support ~300 units

Commercial/Retail Details:
- 5.42 year average lease term
- 89.2% occupied
- 80% national tenants
- Retail continued to be managed by RioCan

Acquisition Details:
- $23.75 million (50% interest)
- 6.7% yield
- Closing date: May 17, 2019

Killam/RioCan Joint Venture

- Downtown Charlottetown
- PEI's busiest retail node
- Premium visibility on main arterial routes
- Surrounded by retail, residential neighbourhoods and the University of PEI

YTD-2019 Acquisitions | Charlottetown Mall

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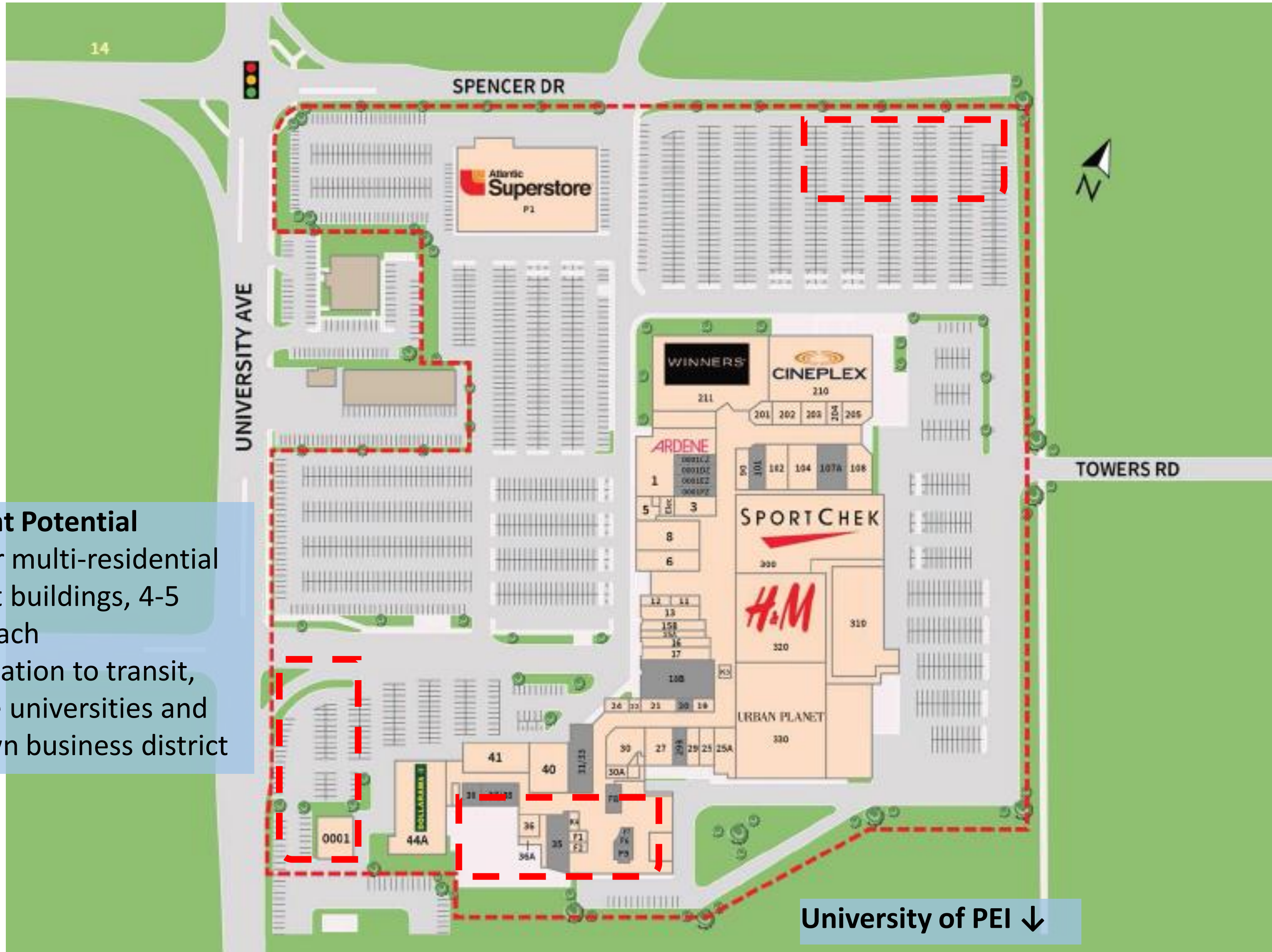


Development Potential

- Zoned for multi-residential
- ~100 unit buildings, 4-5 storeys each
- Prime location to transit, trails, the universities and downtown business district

University of PEI ↓

YTD-2019 Acquisitions | Fredericton Apt

Description:
59 units; 48 underground parking stalls
Average rent – $1,175/month ($1.40/sf)
100% leased

Acquisition Details:
$8.1 million ($137,000/unit)
5.8% capitalization rate
Built in 2017
Closed: April 18, 2019

Location:
Fredericton, NB

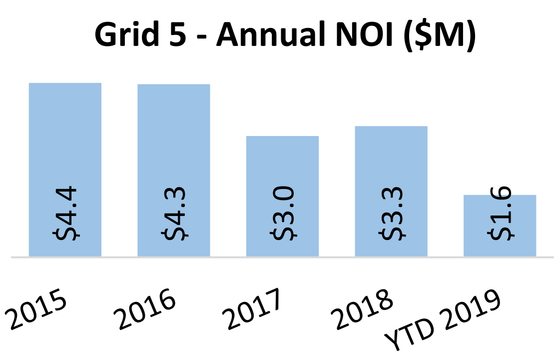
YTD-2019 Acquisitions | Grid 5 & Silver Spear

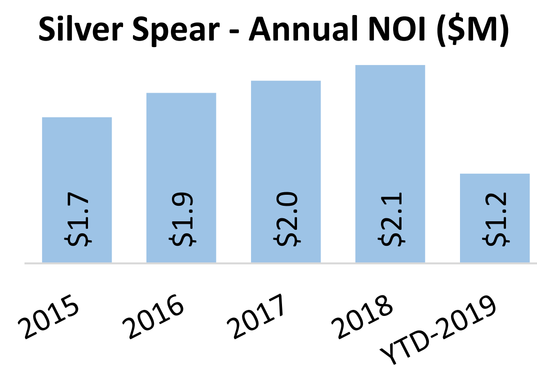
Description:
Grid 5 – 50% of 307 units
Silver Spear – 50% of 199 units

Acquisition Details:
$69.9[(1)] million
4.2% capitalization rate
Closed: June 14, 2019

Location:
Calgary, AB
Mississauga, ON


307 units – Grid 5, Calgary






199 units – Silver Spear, Mississauga

(1) With an additional $3.6 million allocated to the acquisition of the Silver Spear II development land.

YTD-2019 Acquisitions | Dieppe Village

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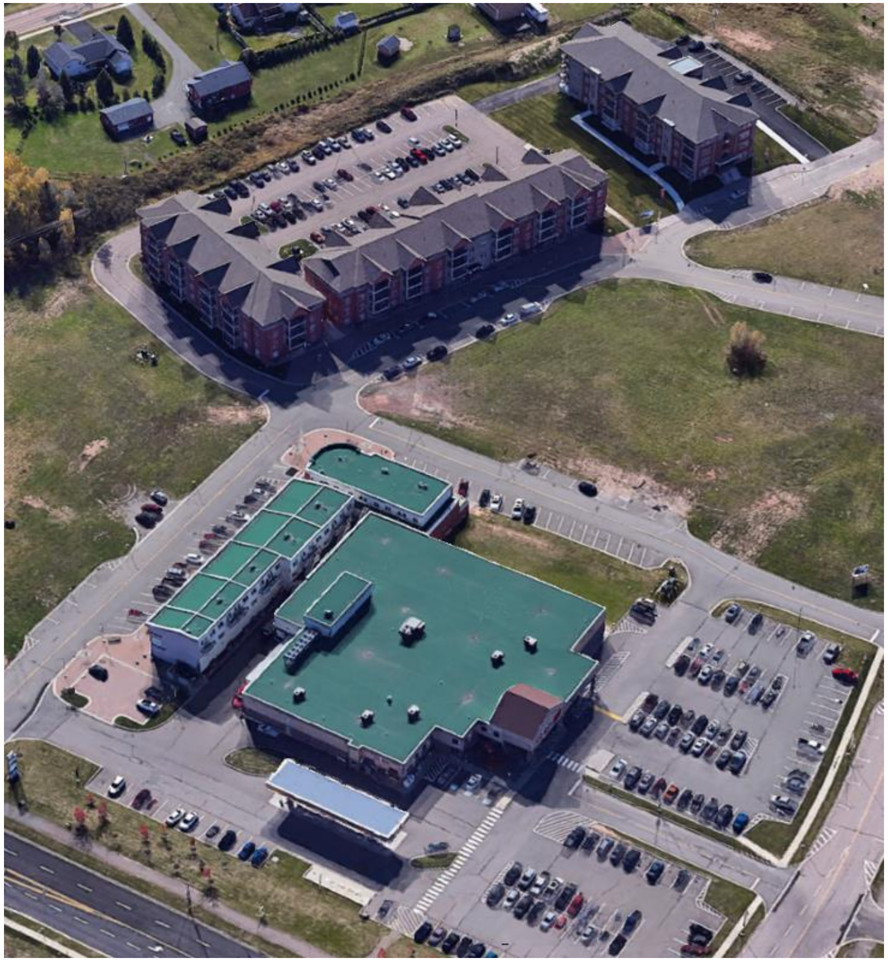
Description:
3 residential apartment buildings
1 mixed-use commercial & residential building
127 units total
1 Co-op grocery store with gas bar & 2.5 acres of vacant land
45,500 SF of commercial space total

Acquisition Details:
Blended all cash yield of 5.7%
5.0% residential capitalization rate
7.9% commercial capitalization rate
$28.9 million ($21.4M res; $6.6M comm: $0.9M vacant land)
Closed: June 27, 2019

Location:
Moncton, NB

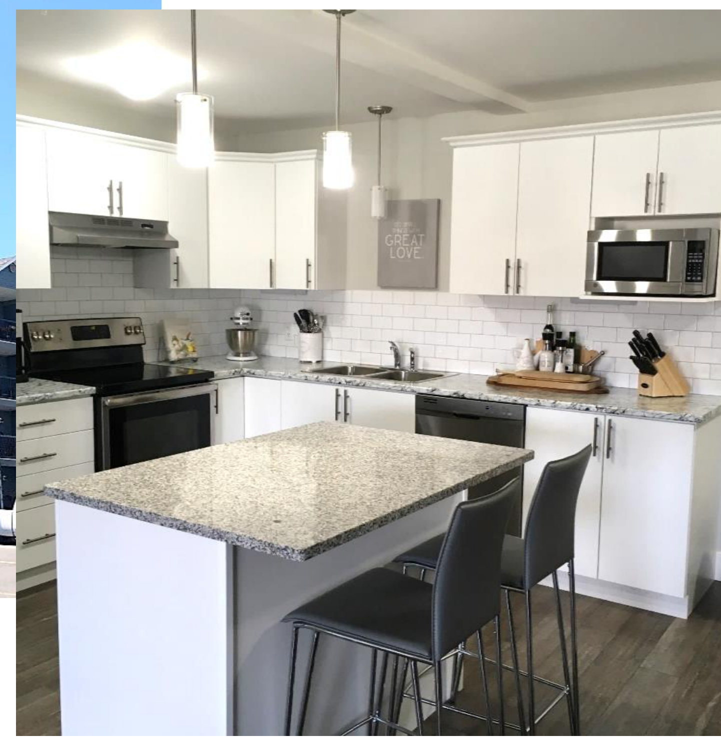


YTD-2019 Acquisitions | Lian Street

Description:
48 units; 48 underground parking spots
Four-storey apartment complex with large 2 & 3 bedroom units
Average rent – $1,367/month ($1.00/sf)

Acquisition Details:
$9.25 million
5.40% capitalization rate
100% occupied
Expected closing date: Aug 2019

Location:
Fredericton, NB



Q2-2019 | Development Success

Approximately $300 million of developments completed.


101 units - Fredericton, NB


122 units - Cambridge, ON


94 units - Cambridge, ON


70 units - Halifax, NS

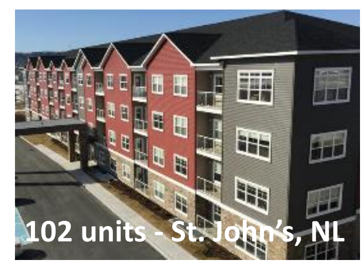

228 units - Ottawa, ON


240 units - Halifax, NS


49 units - Charlottetown, PEI


47 units - Charlottetown


63 units - Halifax, NS


102 units - St. John's, NL


71 units - St. John's, NL

Ottawa, ON - Frontier, Phase I of Gloucester City Centre, was substantially complete in June 2019.

Green Features: Sub-metered water, geothermal heating and cooling

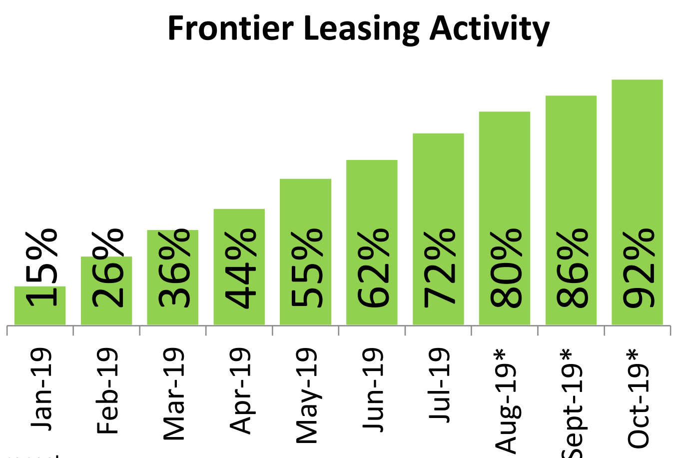
Key Statistics	
Number of units	228
Start date	Q2-2017
Completion date	Q2-2019
Project Budget ($M)*	$37.5
Cost per unit	$329,000
Expected Yield	5.25%
Expected Value Cap-rate	4.0%
Average Unit Size	789 SF
Average Rent	$1,965 $2.49/sf

* Killam's 50% interest.

Phase I of Killam's 228-unit joint development project, Frontier, located in Ottawa, reached substantial completion in June 2019 and is currently 75% leased.

Q2-2019 | Development Activity | Ottawa

Ottawa, ON - Frontier, Phase I of Gloucester City Centre



*forecast

Q2-2019 | Development Activity | Ottawa

Ottawa, ON - Phase II (Latitude) of Gloucester City Centre

Key Statistics	
Number of units	209
Start date	Q2-2019
Est. Completion date	Q4-2021
Project Budget ($M)*	$43.6
Cost per unit	$417,000
Expected Yield	5.2%
Expected Value Cap-rate	4.0%
Average Unit Size	803 SF
Average Rent	$2,085 ($2.60/sf)

* Killam's 50% interest.

Green Features: Sub-metered water, geothermal heating and cooling

Q2-2019 | Development Activity | PEI

Shorefront development broke ground in October 2018.

Key Statistics	
Number of units	78
Start date	Q4-2018
Estimated Completion date	Q2-2020
Project Budget ($M)	$20.8
Cost per unit	$267,000
Expected Yield	5.6%
Expected Value	4.75-5.0%

Green Features: Sub-metered water, solar photovoltaic panels, on-site EV chargers

Shorefront development is on schedule and budget with $4.6 million invested to-date.

Q2-2019 | Development Activity | Mississauga

Silver Spear II development (The Kay) to break ground in Q3-2019.

Key Statistics	
Number of units	128
Start date	Q3-2019
Estimated Completion date	Q2-2021
Project Budget ($M)	$49.0
Cost per unit	$383,000
Expected Yield	5.0-5.25%
Expected Value Cap-rate	3.5%

Green Features: Sub-metered water, geothermal heating and cooling

Q2-2019 | Development Pipeline - ~$700 million

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Future Development Opportunities					
Property	**Location**	**Killam Interest**	**Potential # of Units**	**Status**	**Est Year of Completion**
Developments expected to start in the next 24 months					
The Governor	Halifax, NS	100%	12	In design and approval process	2021
Nolan Hill	Calgary, AB	10%	23	In design and approval process	2021
Weber Scott Pearl	Kitchener, ON	100%	170	In design and approval process	2022
Westmount Place (Ph 1)	Waterloo, ON	100%	118	In design	2022
Developments expected to start in 2021-2025					
Haviland Street	Charlottetown, PE	100%	99	In design	2022
Gloucester City Park (Ph 3-4)	Ottawa, ON	50%	185	In design	2024
Westmount Place (Ph 2-5)	Waterloo, ON	100%	908	In design	2028
Additional future development projects					
Carlton Terrace	Halifax, NS	100%	104	In design and approval process	TBD
Kanata Lakes	Ottawa, ON	50%	40	In design and approval process	TBD
Medical Arts (Spring Garden)	Halifax, NS	100%	200	Future development	TBD
Carlton Houses	Halifax, NS	100%	80	Future development	TBD
Topsail Road	St. John's, NL	100%	225	Future development	TBD
Block 4	St. John's, NL	100%	80	Future development	TBD
Total Development Opportunities			**2,244**		

~ 64% of Killam's development pipeline is outside Atlantic Canada. Killam targets yields of 5.0% to 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 bps spread would create approximately $175 million in NAV growth for unitholders.

Appendices

Q2-2019 | Performance | Halifax

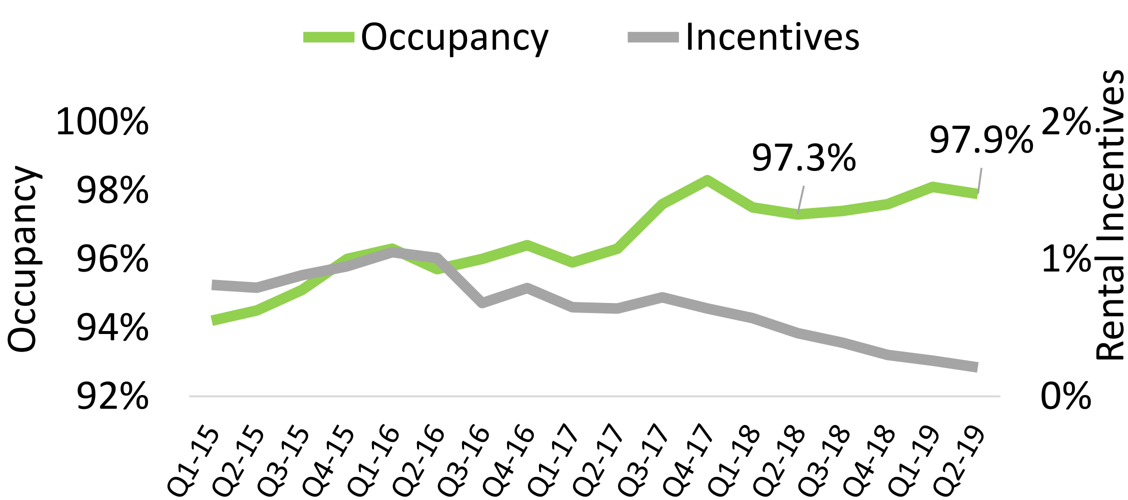
Killam APARTMENT REIT

The Halifax rental market is strong with overall occupancy at 97.9%.

Current Market Conditions

- Strong demand as population growth from immigration, intraprovincial migration and demographics continues to outpace new supply.
- Increasing supply with rising number of rental units under construction.
- Occupancy forecast to increase only modestly over the coming years.

Killam's Halifax Same Property Results



Killam's Same Property Performance

Halifax Q2-2019	
% of NOI	39.2%
Units	5,753
Rental Rate Growth	3.7%
Occupancy	97.9%
NOI Growth	5.5%

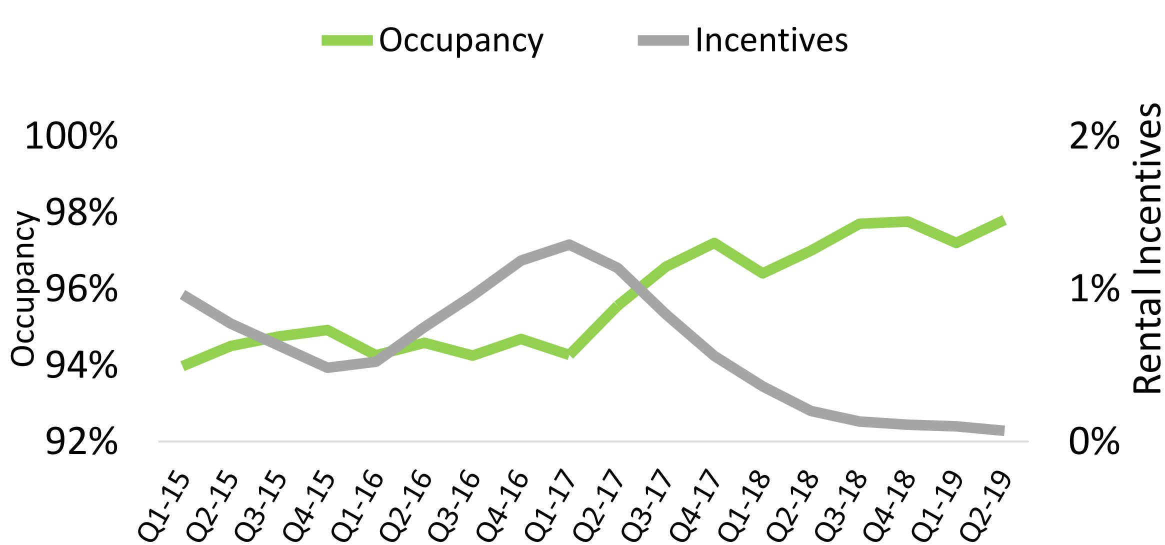
Q2-2019 | Performance | New Brunswick

Population growth coupled with limited construction has resulted in high occupancy - 97.8%.

Current Market Conditions

- Population growth from increased interprovincial and international migration boosts rental demand in 2018, along with downsizing seniors.
- Fewer apartment starts in recent years has contributed to improved occupancy.
- Higher occupancy and rental increases in all three major markets.

Killam's NB Same Property Results



Killam's Same Property Performance

New Brunswick Q2-2019	
% of NOI	22.7%
Units	4,535
Rental Rate Growth	3.6%
Occupancy	97.8%
NOI Growth	5.0%

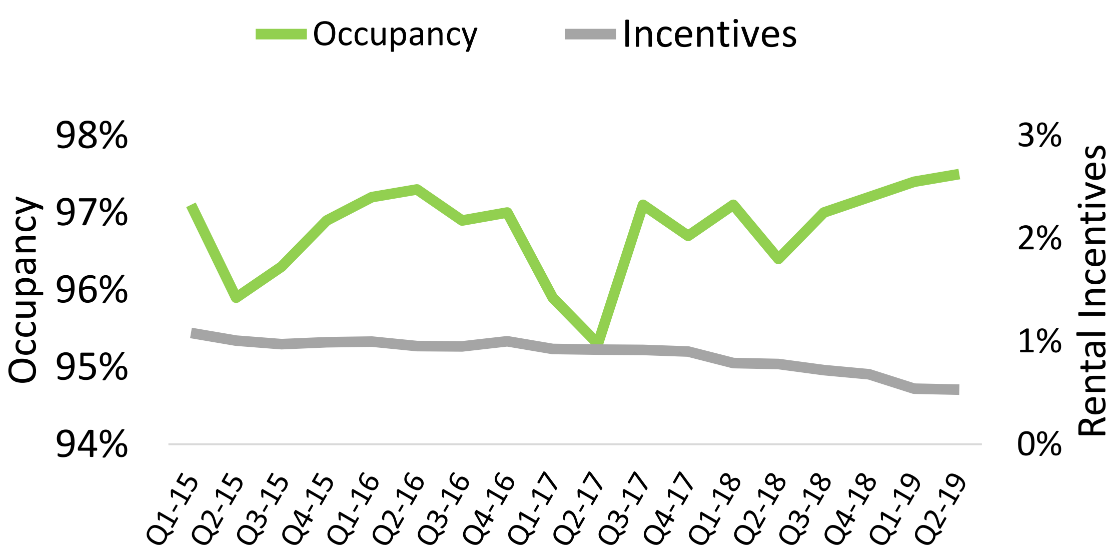
Q2-2019 | Performance | Ontario

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.
- Growth in rental supply outpaces strong rental demand.
- Affordability of homeownership is driving many to rent.
- Low vacancy rates and high asking rents = low turnover.

Killam's Ontario Same Property Results



Killam's Same Property Performance

Ontario Q2-2019	
% of NOI	19.0%
Units	2,557
Rental Rate Growth	3.5%
Occupancy	97.5%
NOI Growth	5.9%

Non-IFRS Measures

Non-IFRS Measures

Management believes these non-IFRS financial measures are relevant measures of the ability of the REIT to earn revenue and to evaluate Killam's financial performance. The non-IFRS measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS, as indicators of Killam's performance, or sustainability of Killam's distributions. These measures do not have standardized meanings under IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded organizations.

- Funds from operations ("FFO"), and applicable per unit amounts, are calculated by Killam as net income adjusted for depreciation on an owner-occupied building, fair value gains (losses), interest expense related to exchangeable units, gains (losses) on disposition, deferred tax expense (recovery), unrealized gains (losses) on derivative liability and non-controlling interest. FFO are calculated in accordance with the REALpac definition.

- Adjusted funds from operations ("AFFO"), and applicable per unit amounts and payout ratios, are calculated by Killam as FFO less an allowance for maintenance capital expenditures ("capex"), representing a three-year rolling historical average capital spend to maintain and sustain Killam's properties. AFFO are calculated in accordance with the REALpac definition. Management considers AFFO an earnings metric.

- Same property results in relation to Killam are revenues and property operating expenses for stabilized properties that Killam has owned for equivalent periods in 2019 and 2018. Same property results represent 86% of the fair value of Killam's investment property portfolio as at June 30, 2019. Excluded from same property results in 2019 are acquisitions, dispositions and developments completed in 2018 and 2019, non-stabilized commercial properties linked to development projects, and other adjustments to normalize for revenue or expense items that relate to prior periods or are not operational.

- Interest coverage is calculated by dividing earnings before interest, tax, depreciation and amortization ("EBITDA") by interest expense, adjusted for interest expense related to exchangeable units.

- Debt service coverage is calculated by dividing EBITDA by interest expense, less interest expense related to exchangeable units, and principal mortgage repayments.

- Normalized debt to EBITDA is calculated by dividing interest-bearing debt (net of cash) by EBITDA that has been adjusted for a full year of stabilized earnings from recently completed acquisitions and developments.

See the Q2-2019 Management's Discussion and Analysis for further details on these non-IFRS measures and, where applicable, reconciliations to the most directly comparable IFRS measure.

Q2-2019 Results Conference Call

August 14, 2019 |9AM Eastern

Killam
APARTMENT REIT