



KILLAM  
APARTMENT  
REIT

Q3-2016  
Results  
Conference  
Call

Nov 2, 2016  
10 am EST

# 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.

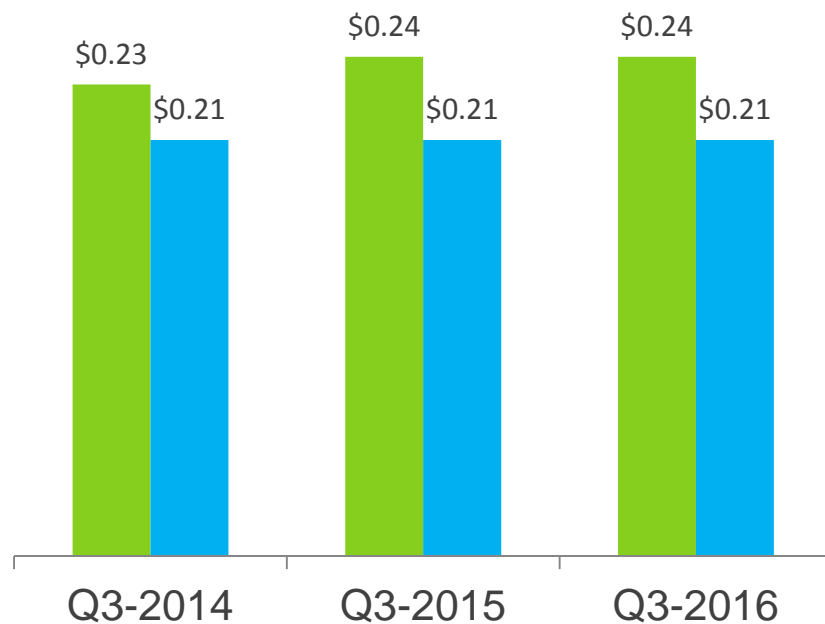
# Highlights from Q3-2016

- Generated FFO per unit of \$0.24, consistent with \$0.24 in Q3-2015.
- Rolling 12 month AFFO payout ratio of 81%.
- Increased same property rental revenue by 2.2%.
- Achieved same property NOI growth of 3.0%.
- Completed the development of Southport Apartments, Killam's 8<sup>th</sup> development.
- Reduced debt levels, down to 53.2% at Sept 30, 2016, a 330 basis point reduction from 56.5% at December 31, 2015.
- Continued interest rate savings on refinancing, reducing the weighted average interest rate on mortgage debt to 3.08%, from 3.27% at December 31, 2015.

# \$0.24 FFO Per Unit in Q3-2016

## Q3 FFO & AFFO Per Unit

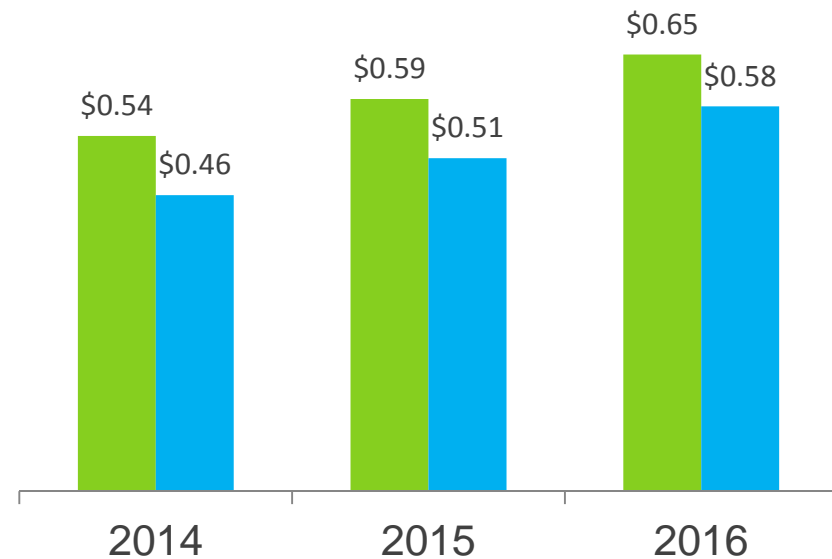
■ FFO ■ AFFO



## YTD FFO & AFFO Per Unit

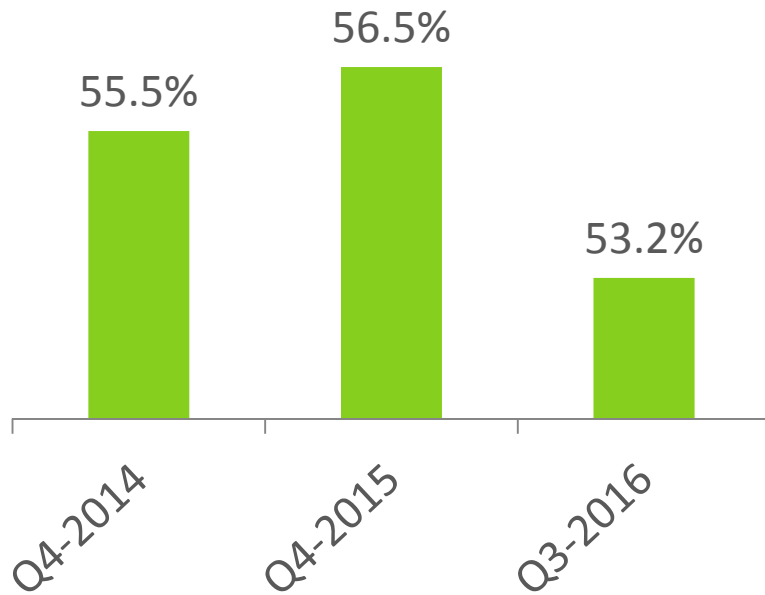
For the nine months ended Sept 30

■ FFO ■ AFFO

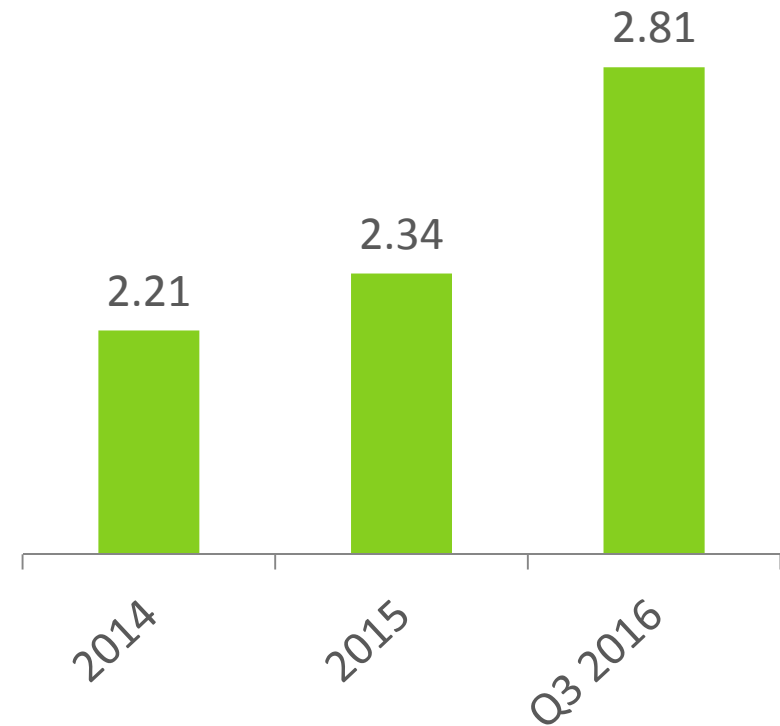


# Improving Debt Levels

## Debt as a Percentage of Assets



## Interest Coverage Ratio



# \$100 M of Acquisition Capacity

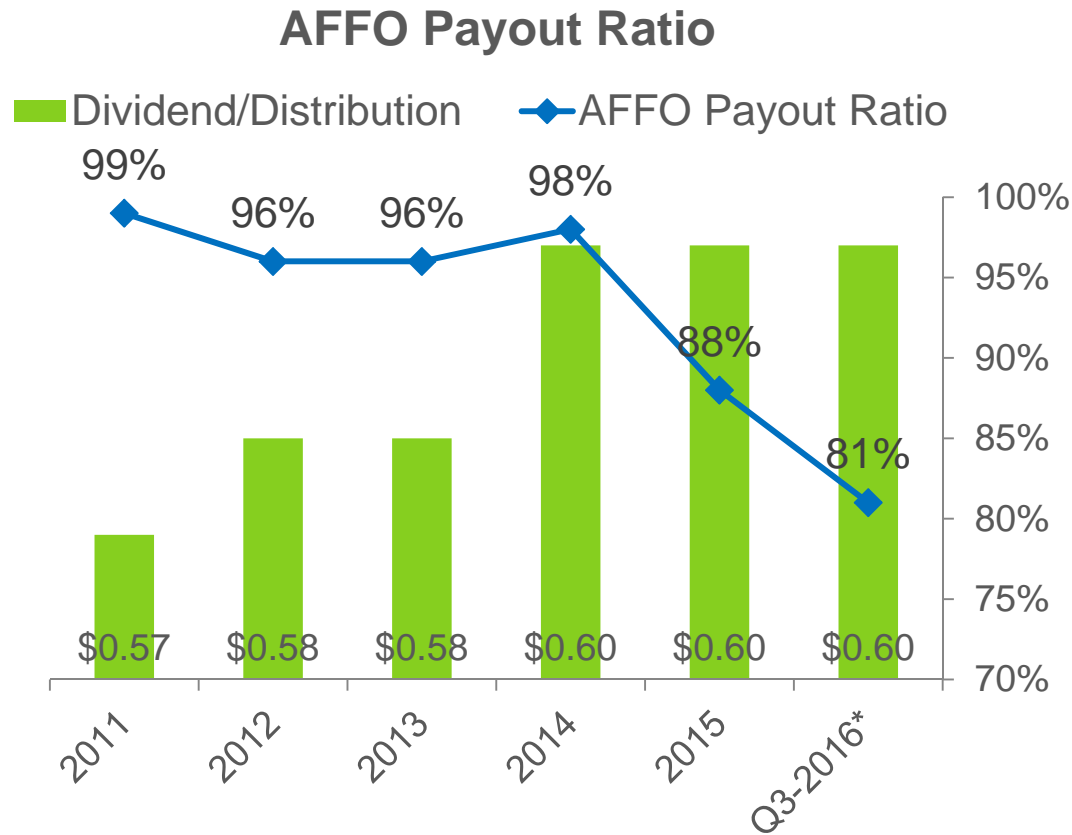
**Liquidity of \$50M =  
\$100M of Acquisition  
Capacity**



**Credit Facility:** Following the acquisition of Garden Park Apartments without mortgage debt on June 30, 2016, a new \$30M demand credit facility was finalized on July 20, 2016. This replaced Killam's previous \$2M acquisition facility.

**Cash at Sept 30, 2016**

# Improving Payout Ratio



**81%**  
AFFO  
Payout  
Ratio

\* Rolling 12 months

# Killam's Strategy for Growth

Killam's strategy is to maximize its value and long-term profitability by concentrating on three key areas of growth:

#1

Increasing earnings from its existing portfolio



#2

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



#3

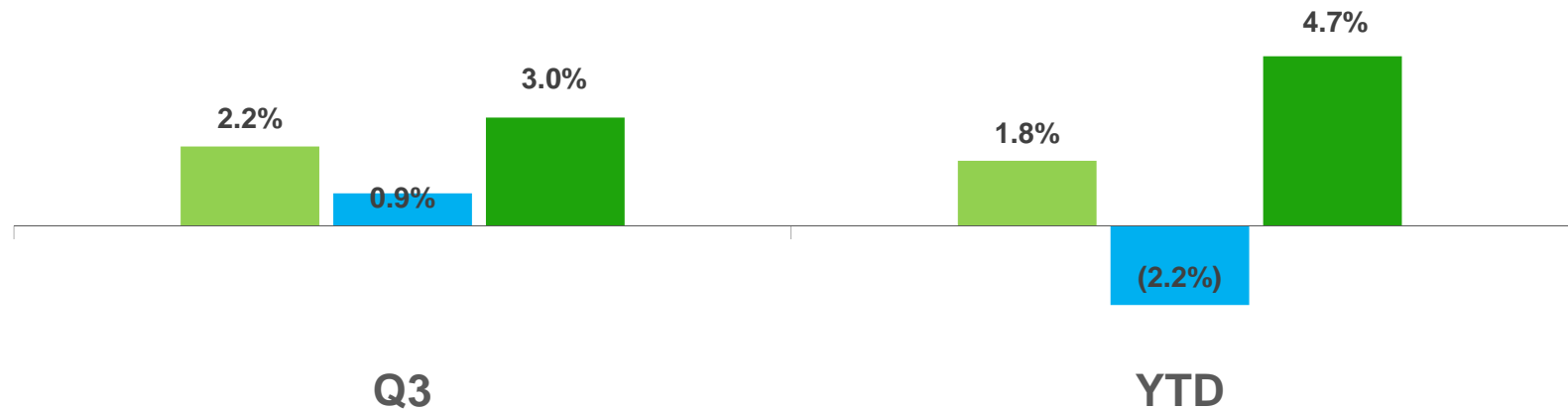
Developing high-quality properties in its core markets





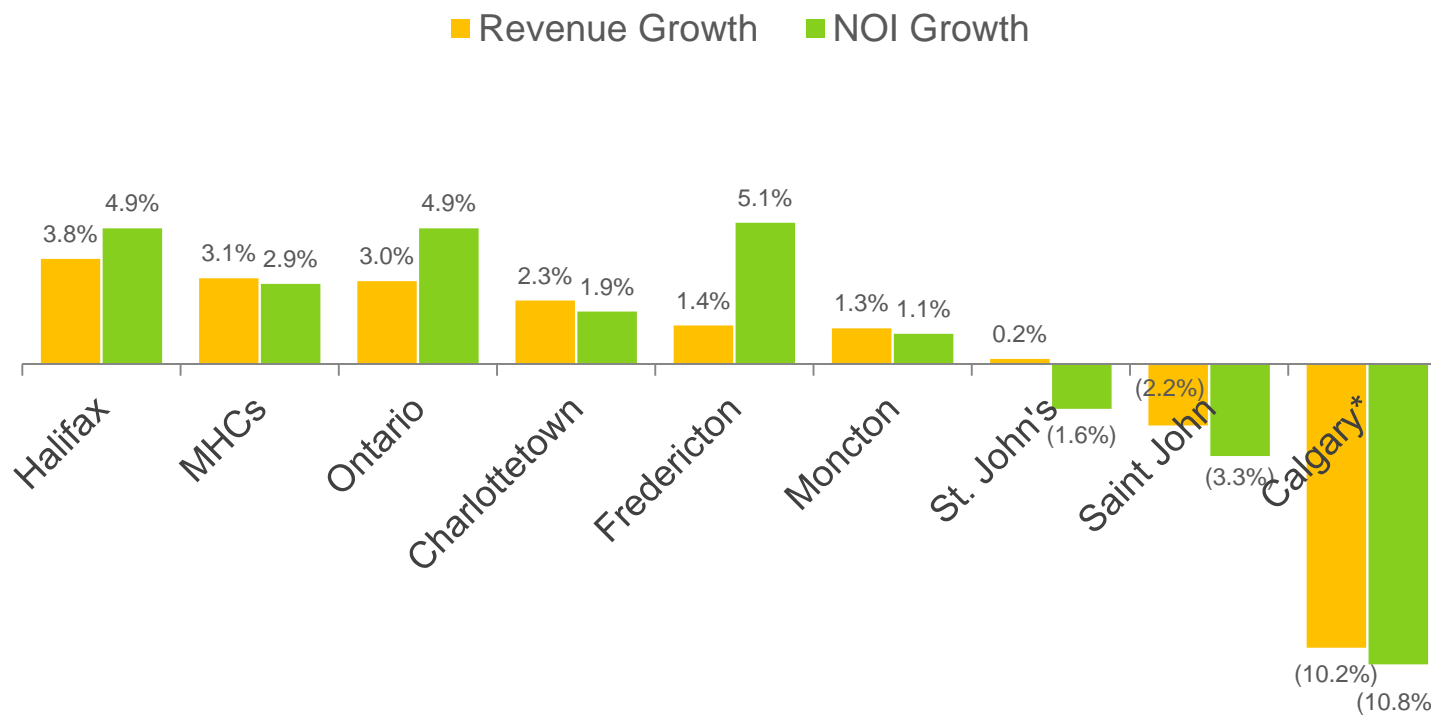
# 3.0% Same Property NOI Growth in Q3

Same Property Results  
3 and 9 months ended Sept 30, 2016  
■ Revenue ■ Expenses ■ NOI



# 3.0% NOI Growth in Q3-2016

## Q3 Same Property Performance



\* Killam has a 50% interest in one 307-unit asset in Calgary, acquired in December 2014.

# Southport Apartments, Halifax



# Southport Apartments, Halifax



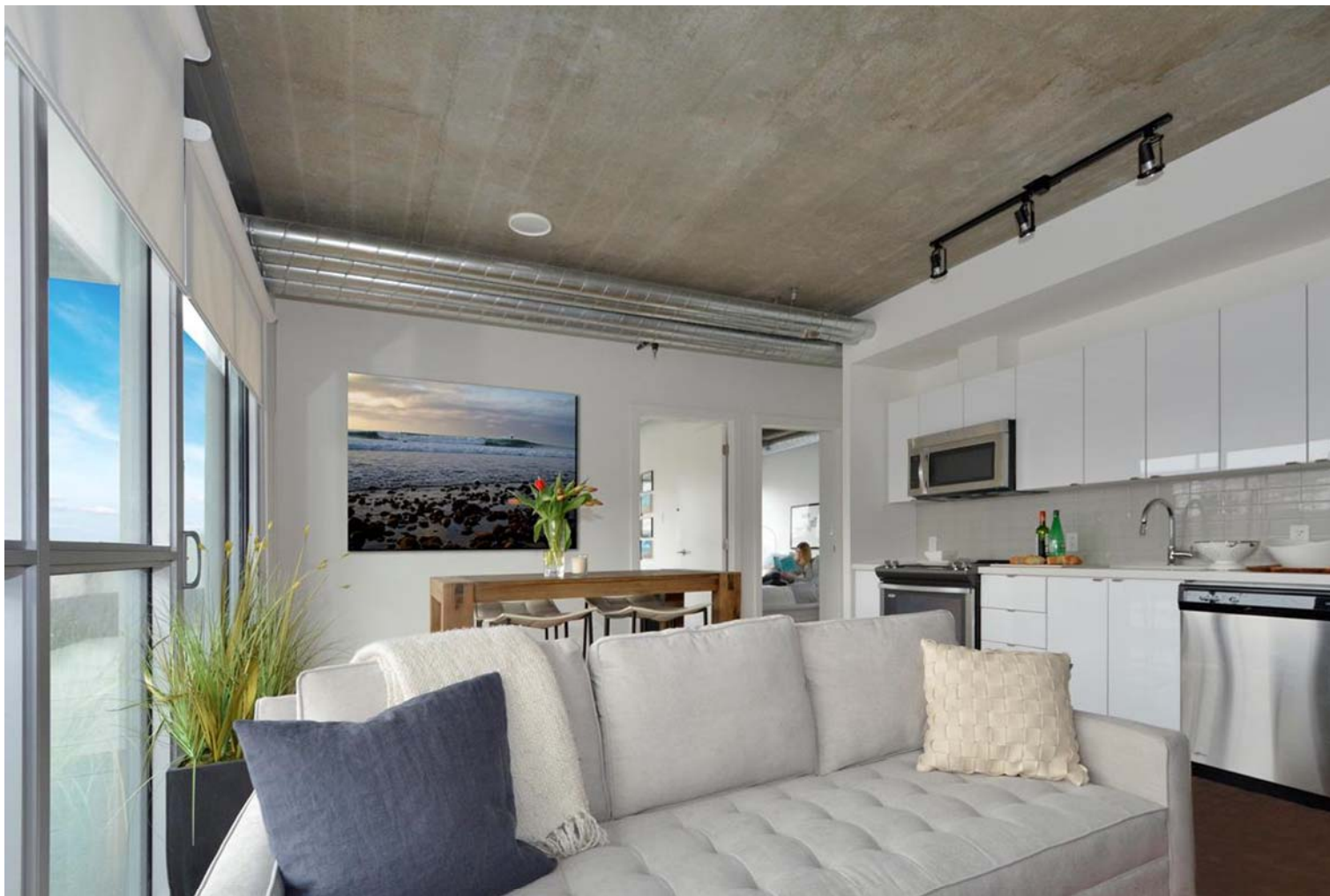
# Southport Apartments, Halifax



# Southport Apartments, Halifax



# Southport Apartments, Halifax



# The Alexander - 2017 Completion

**Rental Units:** 242 units, 6,500 sf of retail space

**Ownership:** Killam 50%, Partners 50%

**Start Date:** Q3-2015

**Projected Completion:** Q4-2017

**Location:** Downtown Halifax across from the waterfront

**Cost:** \$35 million (Killam's cost) (\$276,000/residential door)

**Expected Yield:** 5.5%

**Expected Value:** 4.75% cap rate

**Average Unit Size:** 740 sf

**Average Rent:** \$1,740 (\$2.35/sf)





# The Alexander, Halifax



# The Alexander, Halifax



# The Alexander, Halifax



# The Alexander, Halifax



# The Alexander, Halifax



# Saginaw Gardens II, Cambridge

**Rental Units:** 93 units

**Start Date:** Q4-2016

**Projected Completion:** 2018

**Location:** Adjacent Saginaw Gardens, Saginaw Parkway, Cambridge

**Cost:** \$25.1 million  
(\$269,000/door)

**Expected Yield:** 5.5%

**Expected Value:** 4.75% cap rate

**Average Unit Size:** 1,025 sf

**Average Rent:** \$1,665 (\$1.62/sf)



# Oct 5, 2016 Property Tour

1 Brewery Market



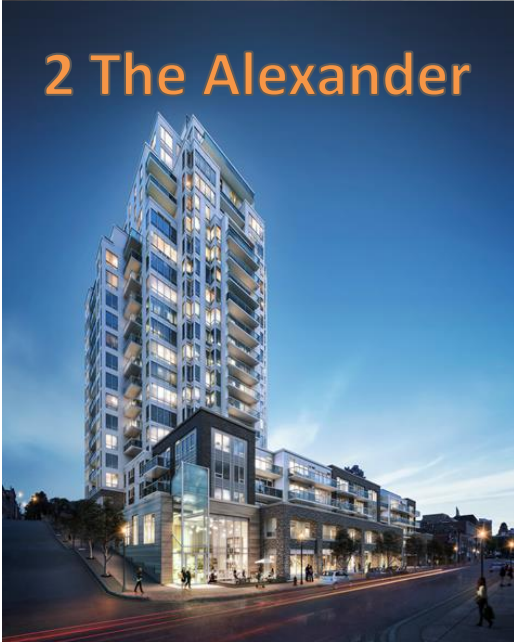
3 Southport



5 Spring Garden Terrace



2 The Alexander



4 Garden Park



6 Carlton Tower Development Site



# Repositioning Opportunities

Shaunslieve



Garden Park



Silver Spear



Spring Garden Terrace





# Repositioning Opportunities - Shaunslieve





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