



KILLAM  
APARTMENT  
REIT

Q1-2016  
Results  
Conference  
Call

May 11, 2016  
2 pm 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 Q1-2016

- Generated FFO per unit of \$0.18, a 20.0% increase from \$0.15 in Q1-2015.
- AFFO payout ratio over last twelve months improved to 82%.
- Increased same property rental revenue by 1.5%.
- Achieved same property NOI growth of 8.0%.
- Continued interest rate savings on refinancing, reducing the weighted average interest rate on mortgage debt to 3.23%, from 3.27% at December 31, 2015.



# Strong Customer Service

Highlights  
from  
Killam's  
2015  
Tenant  
Survey

92%

satisfied with their  
apartment

90%

satisfied with Killam

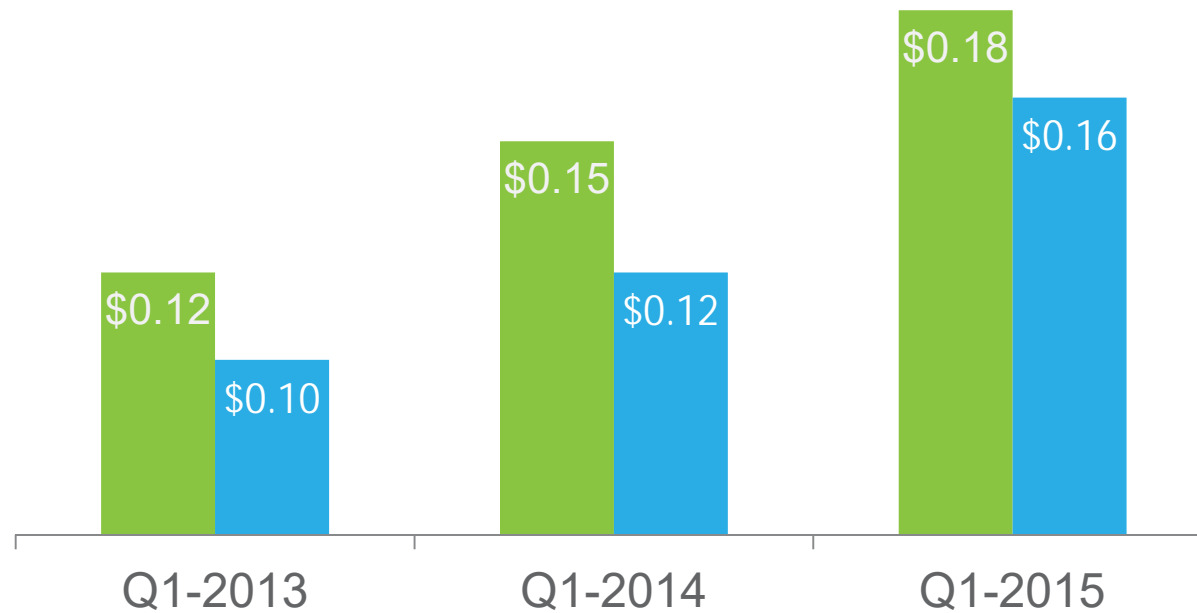
86%

would recommend  
Killam to a friend or  
family member

# 20% FFO Per Unit Growth

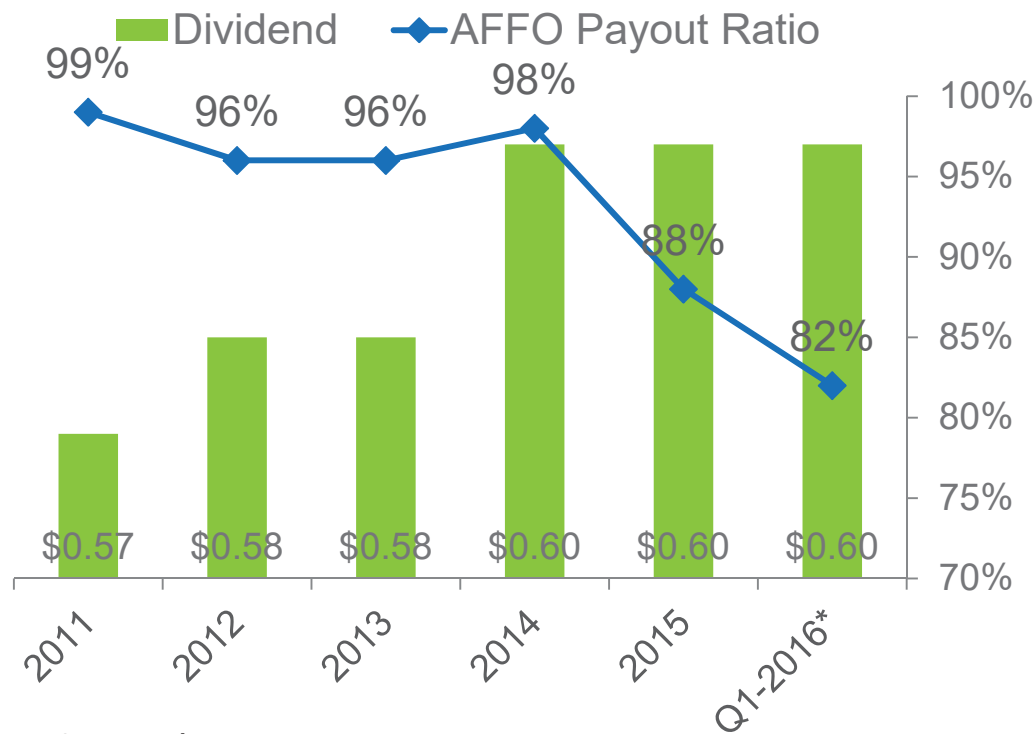
## Q1 FFO & AFFO Per Unit

■ FFO ■ AFFO



# Improving Payout Ratio

## AFFO Payout Ratio



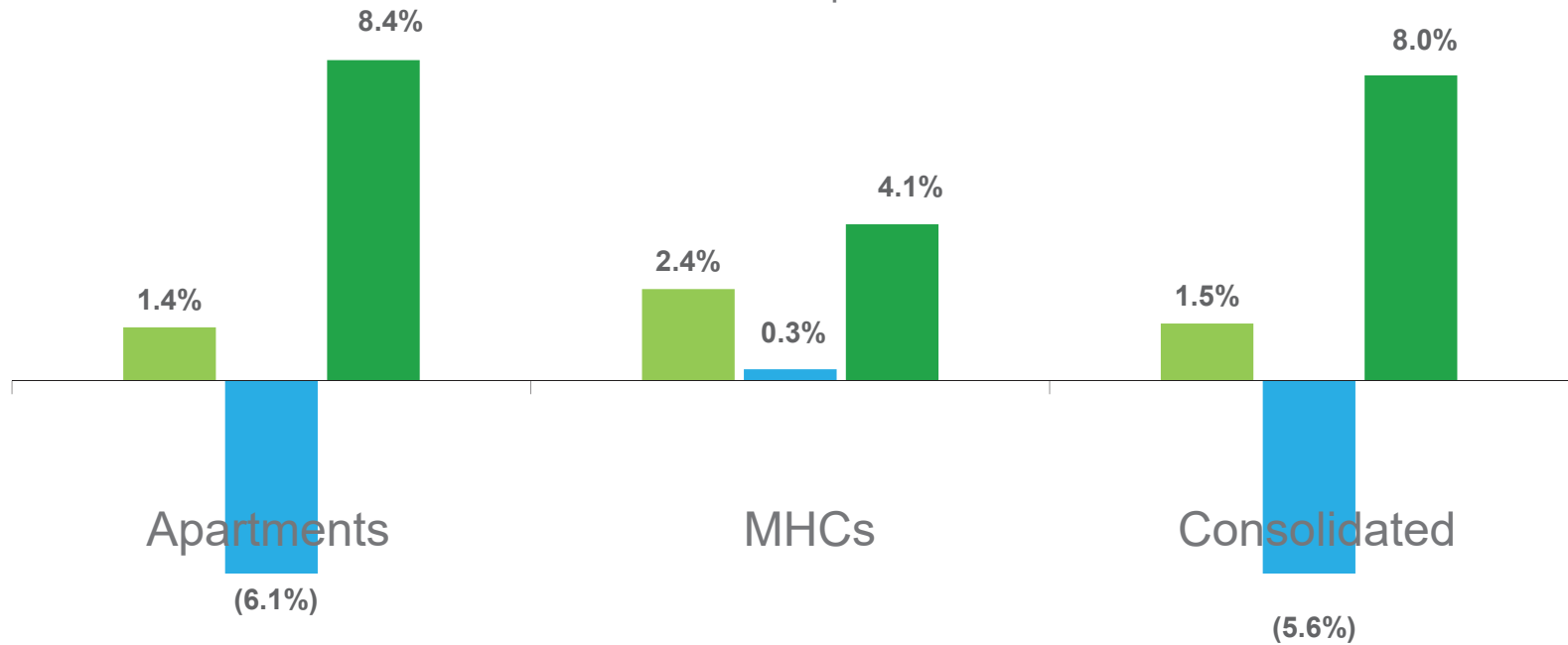
82%  
AFFO  
Payout  
Ratio

\* Rolling 12 months

# 8.0% Same Property NOI Growth

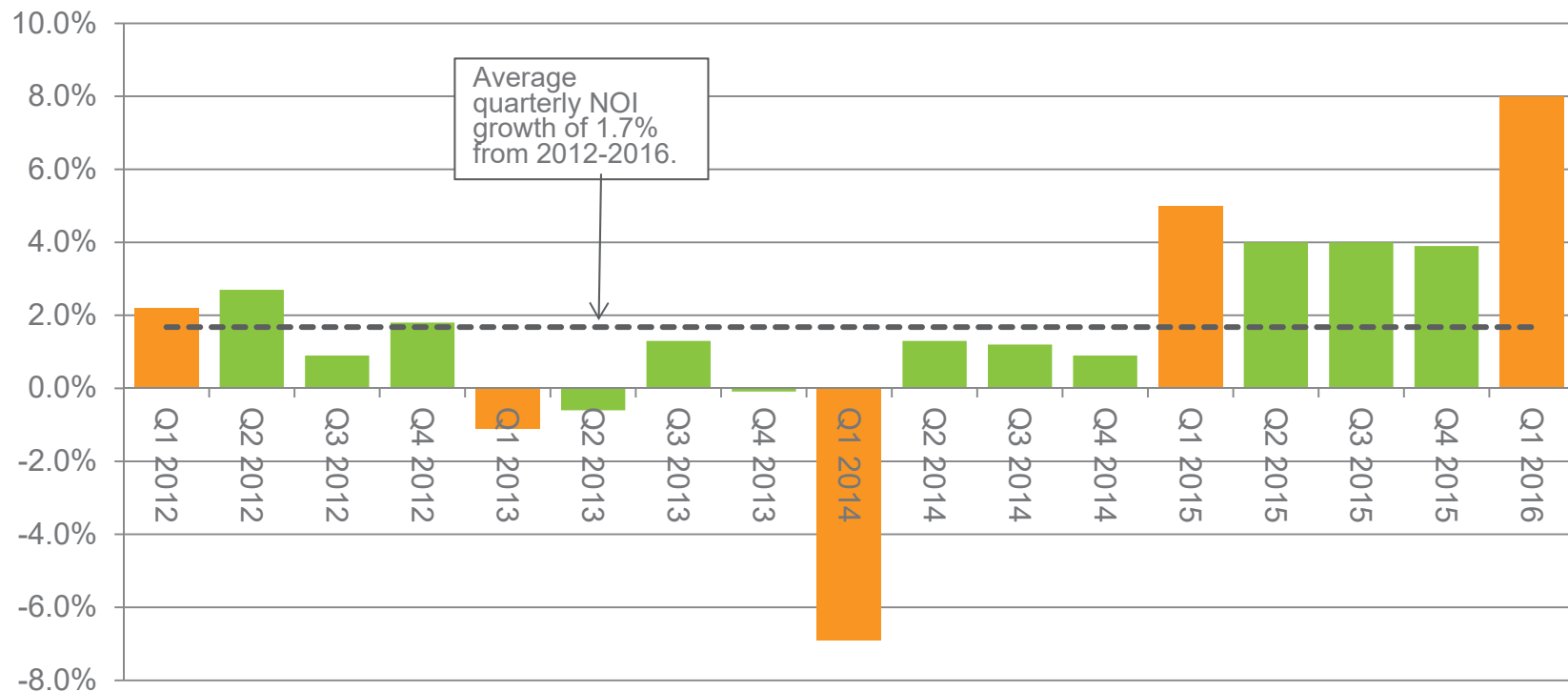
## Same Property Results 3 months ended March 31, 2016

■ Revenue ■ Expenses ■ NOI



# Strongest NOI Growth Since 2010

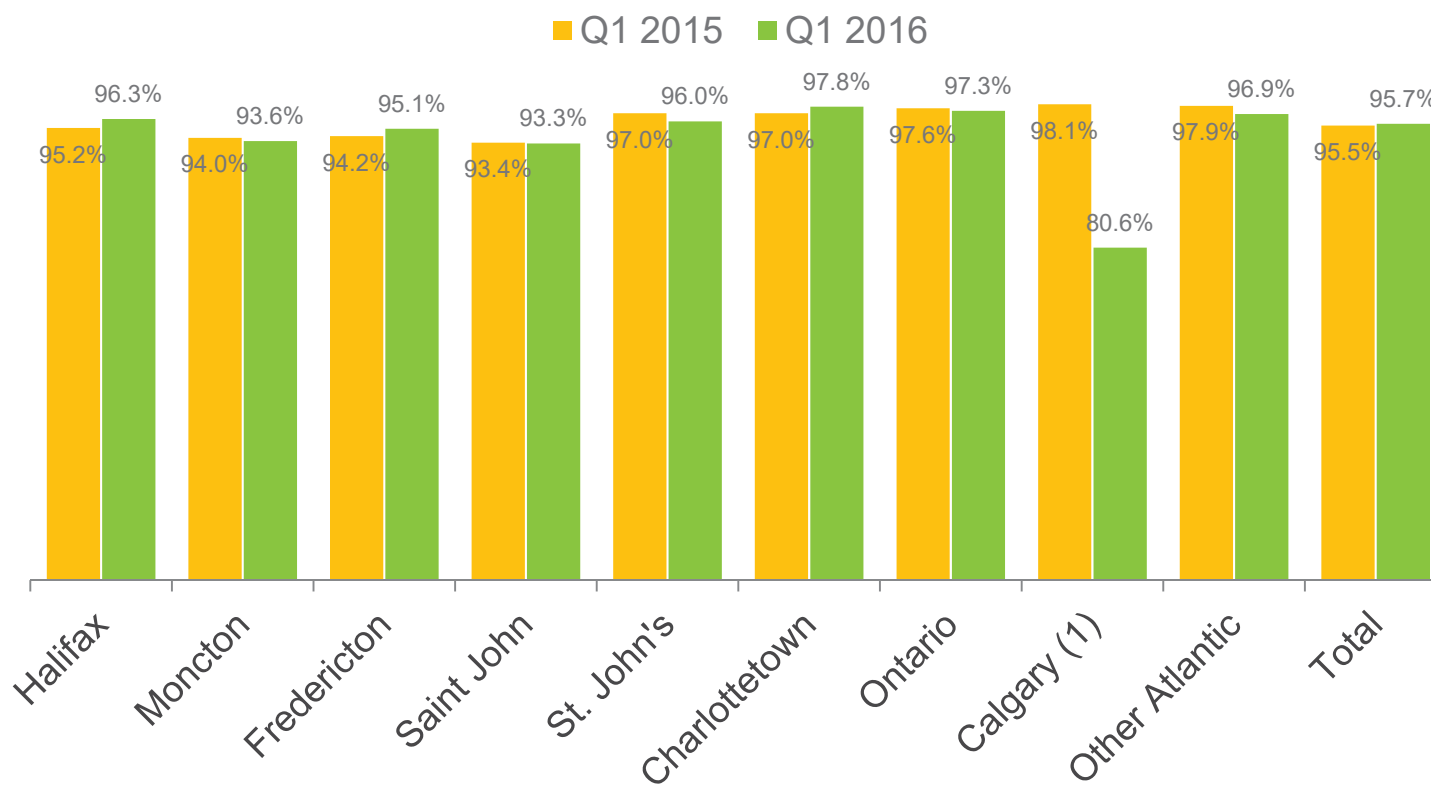
## Quarterly Change in Same Property NOI 2012-2016





# Apartment Occupancy of 95.7% in Q1

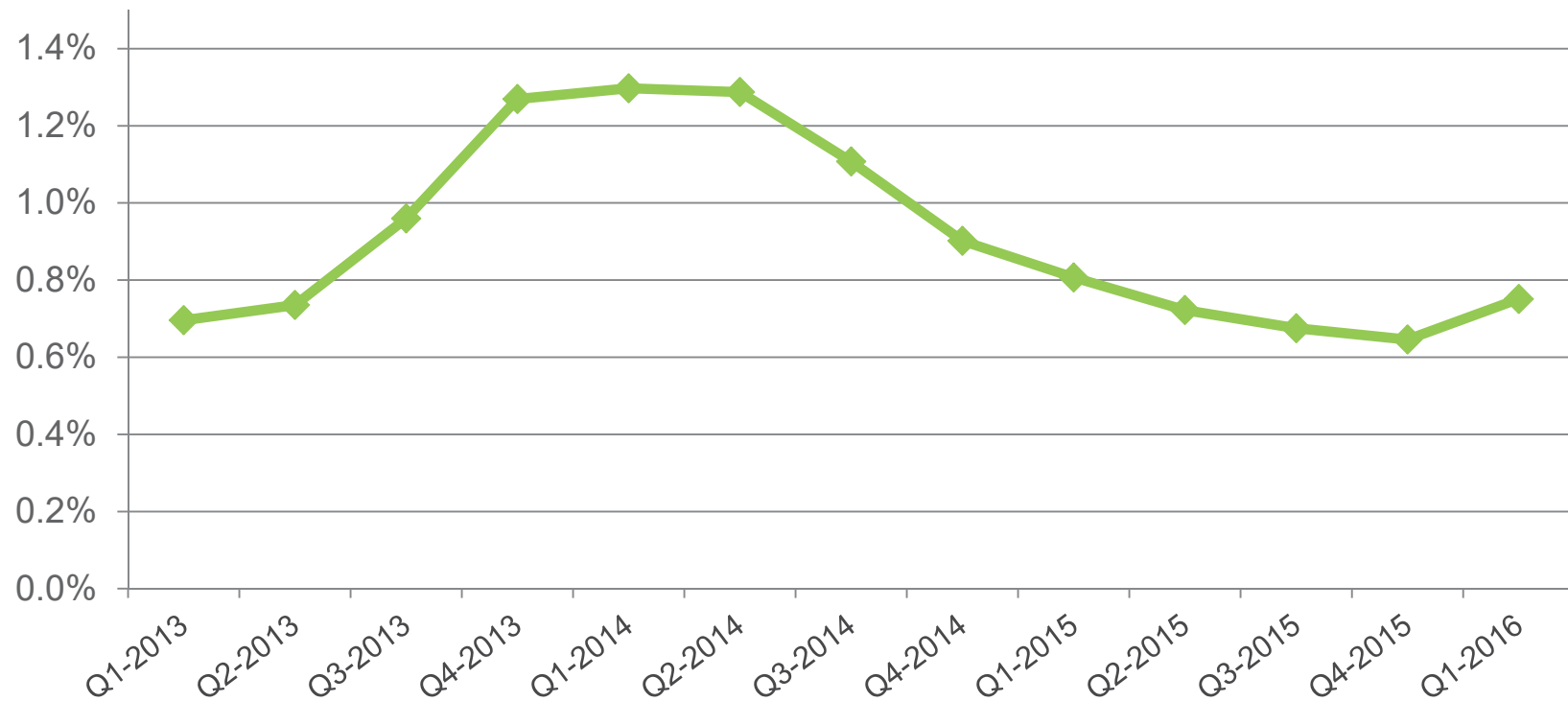
## Q1 Apartment Occupancy\*



\* Occupancy represents actual residential rental revenue net of vacancy as a percentage of gross potential residential rent from stabilized properties.

# Incentives Equal 0.75% of Potential Rents

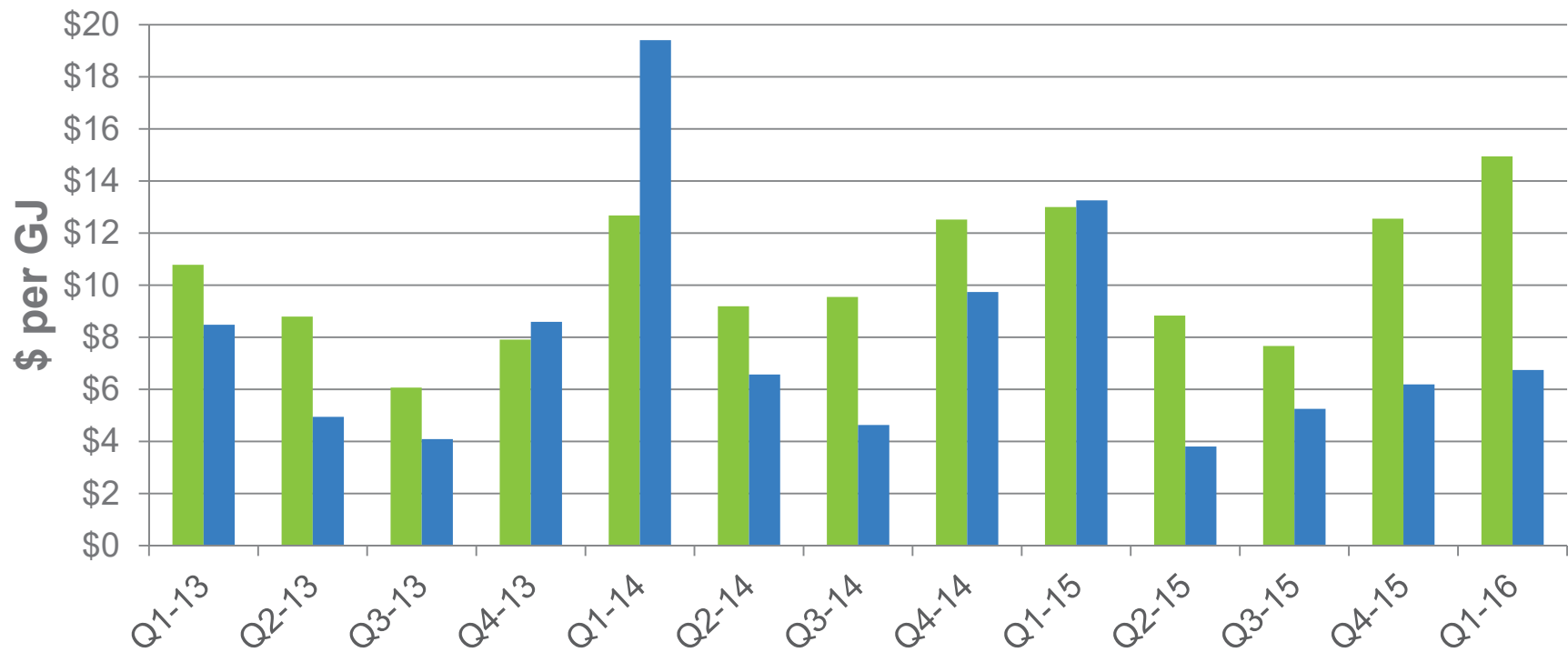
**Incentives as a Percentage of Rental Revenue**  
*Same Apartment Portfolio*



# Lower Natural Gas Prices in NB

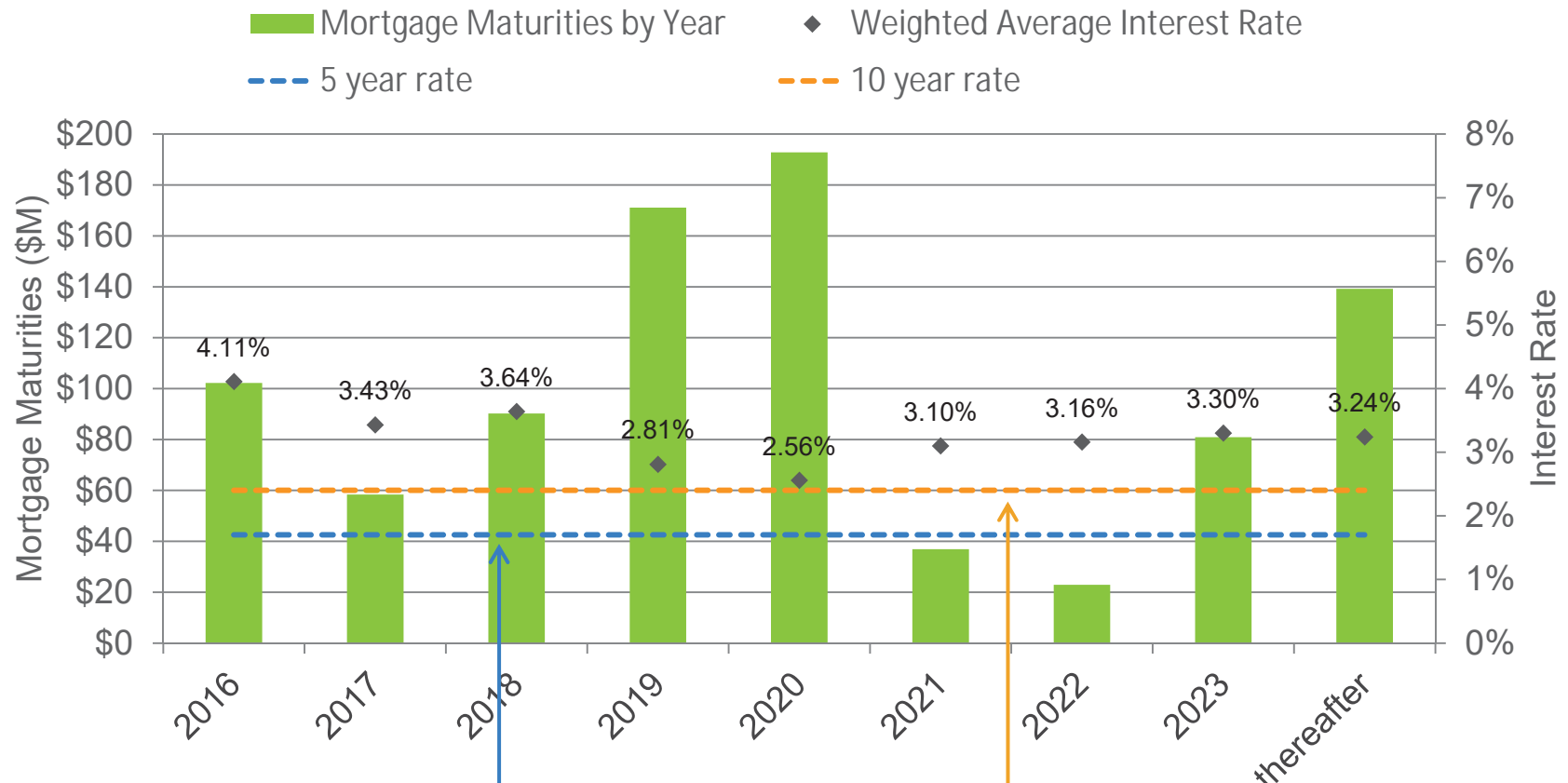
## Commodity Charge per GJ

■ Nova Scotia ■ New Brunswick



# Interest Expense Savings on Refinancings

## Apartment Mortgage Maturities by Year



Current rate for 5-year CMHC insured debt is approximately 1.7%.

Current rate for 10-year CMHC insured debt is approximately 2.4%.

# Southport, Halifax

**Building Description:**

142 units - 70 rental, 72 condo

**Ownership:**

Killam 50%, Urban Capital 50%

**Start Date:**

December 2014

**Projected Completion:**

Q3-2016

**Location:**

Downtown Halifax

**Construction Cost:**

\$14.7 million, \$210,000/door  
(Killam's cost)

**Expected Yield:**

5.5%

**Expected Value:**

4.75% cap rate



# Southport, Halifax



# Southport, Halifax



# Southport, Halifax





# The Alexander, Halifax



## **Building Description:**

242 units  
24 storeys  
230 underground parking stalls  
6,200 square feet of retail space

## **Ownership:**

Killam 50%, Partners 50%

## **Start Date:**

Q3-2015

## **Projected Completion:**

2017

## **Location:**

Downtown Halifax across from the waterfront

## **Construction Cost:**

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

## **Expected Yield:**

5.5%

## **Expected Value:**

4.75% cap rate

# The Alexander, Halifax



# Saginaw 2, Cambridge

**Building Description:**

93 units, 7 storeys

**Start Date:**

Q3-2016

**Projected Completion:**

Q1-2018

**Location:**

Cambridge, ON



# Garden Park Apartments, Halifax

## **Building Description:**

246 apartment units  
8,195 sq. ft. commercial

## **Location:**

1472 Martello Street, Halifax

## **2016 Acquisition:**

51.0%  
\$23.7 million

## **Previous Purchases of Ownership Interest:**

2005 - 10.7%  
2006 - 6.6%  
2009 - 13.3%  
2010 - 15.0%  
2011 - 1.7%  
2014 - 1.7%



# Kanata Lakes Apartments, Ottawa

## **Building Description:**

173 units

3<sup>rd</sup> of a five-building portfolio  
with a shared clubhouse

## **Location:**

1047 Canadian Shield Ave,  
Kanata

## **Previous Purchases:**

2011 – 25% of building I

2014 – 50% of building II &  
additional 25% of building I

2016 – 50% of building III



# Kanata Lakes Apartments, Ottawa





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