



Supplementary Information Package
First Quarter 2015

May 5, 2015

Investor Information

Head Office

Killam Properties Inc.
3700 Kempt Road
Suite 100
Halifax, Nova Scotia
B3K 4X8

Contacts

Philip Fraser	President & CEO	902-453-4536	pfraser@killamproperties.com
Robert Richardson	Executive Vice President & CFO	902-442-9001	rrichardson@killamproperties.com
Dale Noseworthy	VP, Investor Relations & Corporate Planning	902-442-0388	dnoseworthy@killamproperties.com

Analyst Coverage

BMO Capital Markets	Heather Kirk
Canaccord Genuity	Mark Rothschild
CIBC World Markets	Alex Avery
GMP Securities	Jimmy Shan
Raymond James	Ken Avalos
RBC Capital Markets	Neil Downey
Scotia Capital	Mario Saric
TD Securities	Jonathan Kelcher
Dundee Capital Markets	Frederic Blondeau

Dividend

\$0.05 per month.

Quarterly Financial Information

Summary of Financial and Operating Results

\$ thousands (except per share information)

<i>For the quarter ended</i>	Mar 31, 2015	Mar 31, 2014	Dec 31, 2014	Dec 31, 2013	Sept 30, 2014	Sept 30, 2013	June 30, 2014	June 30, 2013
Property Revenue	\$39,536	\$35,065	\$38,147	\$36,262	\$37,777	\$37,095	\$36,518	\$34,506
Net Operating Income (NOI)	\$20,655	\$17,620	\$21,767	\$21,399	\$23,773	\$23,250	\$21,441	\$20,225
NOI Margin %	52.2%	50.2%	57.1%	59.0%	62.9%	62.7%	58.7%	58.6%
Income before Fair Value, Gain (Loss) on Disposition and Income Taxes	\$9,122	\$7,046	\$10,685	\$9,804	\$13,145	\$11,864	\$10,301	\$10,380
Fair Value Gains (Losses)	\$793	\$ -	(\$16,814)	(\$13,827)	\$13,382	\$2,407	\$8,200	\$20,199
Net Income Attributable to Common Shareholders	\$6,922	\$4,869	(\$9,259)	(\$4,543)	\$20,491	\$12,117	\$13,671	\$23,238
Funds from Operations (FFO)	\$8,922	\$6,827	\$10,238	\$9,812	\$12,919	\$11,668	\$10,179	\$9,478
FFO/Share (Diluted) ⁽¹⁾	\$0.15	\$0.12	\$0.18	\$0.18	\$0.23	\$0.21	\$0.18	\$0.17
Adjusted Funds from Operations (AFFO)	\$7,350	\$5,320	\$8,671	\$8,293	\$11,381	\$10,138	\$8,651	\$7,984
AFFO/Share (Diluted) ⁽¹⁾	\$0.12	\$0.10	\$0.15	\$0.15	\$0.21	\$0.19	\$0.16	\$0.15
Same Store Results								
<i>Consolidated</i>								
Revenue	2.4%	1.3%	1.8%	1.5%	1.6%	1.2%	2.2%	1.7%
Expenses	(0.2%)	10.9%	2.9%	5.0%	2.5%	0.9%	3.3%	5.1%
NOI	5.0%	(6.9%)	0.9%	(0.9%)	1.2%	1.3%	1.3%	(0.6%)
<i>Apartments</i>								
Revenue	2.4%	1.2%	1.7%	1.1%	1.5%	1.0%	1.9%	1.5%
Expenses	(0.5%)	11.6%	3.2%	6.2%	2.9%	2.4%	3.7%	5.8%
NOI	5.3%	(7.7%)	0.4%	(2.2%)	0.7%	0.3%	0.7%	(1.4%)
<i>MHCs</i>								
Revenue	2.8%	2.3%	2.7%	4.9%	2.5%	1.6%	4.0%	2.6%
Expenses	4.3%	2.9%	(0.2%)	(5.4%)	(0.5%)	(5.5%)	0.0%	1.7%
NOI	1.7%	1.9%	4.8%	12.6%	4.1%	5.9%	6.6%	3.1%

(1) The calculation of weighted average shares outstanding for diluted FFO and AFFO purposes exclude the convertible debentures as they are anti-dilutive. For FFO and AFFO purposes, the price used to calculate the conversion feature of the convertible debentures is the conversion price of \$13.40 for the 5.65% convertible debentures and \$14.60 for the 5.45% convertible debentures.

Quarterly Financial Information

Balance Sheet Data

In \$ thousands

	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	June 30, 2013
Balance Sheet Summary								
Investment Properties	\$1,778,324	\$1,733,895	\$1,602,655	\$1,545,899	\$1,505,274	\$1,476,116	\$1,530,066	\$1,476,763
Other Assets	\$49,166	\$40,215	\$45,199	\$46,809	\$45,679	\$56,315	\$44,883	\$50,096
Total Assets	\$1,827,490	\$1,774,110	\$1,647,854	\$1,592,708	\$1,550,953	\$1,532,431	\$1,574,949	\$1,526,859
Total Equity	\$675,693	\$662,683	\$630,299	\$610,189	\$602,956	\$604,060	\$615,575	\$610,062
Mortgages and Loans Payable	\$908,653	\$876,666	\$785,924	\$759,284	\$723,366	\$713,905	\$741,790	\$695,952
Convertible Debentures	\$98,372	\$97,967	\$97,571	\$97,179	\$96,797	\$96,419	\$96,035	\$95,658
Other Liabilities	\$144,772	\$136,794	\$134,060	\$126,056	\$127,834	\$118,047	\$121,549	\$125,187
Total Liabilities	\$1,151,797	\$1,111,427	\$1,017,555	\$982,519	\$947,997	\$928,371	\$959,374	\$916,797
Total Liabilities and Equity	\$1,827,490	\$1,774,110	\$1,647,854	\$1,592,708	\$1,550,953	\$1,532,431	\$1,574,949	\$1,526,859
Debt Summary								
Total Debt as % of Total Assets	55.1%	54.9%	53.6%	53.8%	52.9%	52.9%	53.2%	51.9%
Weighted Average Interest Rate of Mortgage and Vendor Debt	3.51%	3.60%	3.76%	3.85%	3.93%	4.05%	4.21%	4.25%
Weighted Average Interest Rate of Total Debt	3.83%	3.93%	4.10%	4.19%	4.27%	4.38%	4.50%	4.56%
Weighted Average Years to Maturity of Mortgage and Vendor Debt	4.5	4.4	4.5	4.4	4.0	3.9	3.8	3.8
Share Information								
Weighted Avg. Number of Shares Outstanding - Basic	60,668	57,277	54,917	54,752	54,606	54,395	54,266	54,029
Shares Outstanding at Quarter-end	61,912	60,476	55,556	54,809	54,704	54,459	54,351	54,208

Quarterly Financial Information
Statement of Income & Comprehensive Income

In \$ thousands

<i>For the quarter ended</i>	Mar 31, 2015	Mar 31, 2014	Dec 31, 2014	Dec 31, 2013	Sept 30, 2014	Sept 30, 2013	June 30, 2014	June 30, 2013
Net Operating Income								
Property Revenue	\$39,536	\$35,065	\$38,147	\$36,262	\$37,777	\$37,095	\$36,518	\$34,506
Property Operating Expenses	(18,881)	(17,445)	(16,380)	(14,863)	(14,004)	(13,845)	(15,077)	(14,281)
Net Operating Income	20,655	17,620	21,767	21,399	23,773	23,250	21,441	20,225
Other Income								
Equity Income	-	168	329	138	166	189	166	841
Home Sales	4	10	(15)	66	40	44	26	154
Corporate Income	374	178	429	27	363	295	205	190
	378	356	743	231	569	528	397	1,185
Other Expenses								
Financing Costs	(9,113)	(8,610)	(8,701)	(9,061)	(8,618)	(9,275)	(8,680)	(8,543)
Depreciation	(180)	(145)	(177)	(149)	(169)	(154)	(153)	(147)
Amortization of Deferred Financing Costs	(463)	(412)	(450)	(431)	(430)	(425)	(419)	(400)
Administration	(2,155)	(1,763)	(2,497)	(2,185)	(1,980)	(2,060)	(2,285)	(1,940)
	(11,911)	(10,930)	(11,825)	(11,826)	(11,197)	(11,914)	(11,537)	(11,030)
Income before Fair Value, Gain (Loss) on Disposition and Income Taxes	9,122	7,046	10,685	9,804	13,145	11,864	10,301	10,380
Fair Value Gains (Losses)	793	-	(16,814)	(13,827)	13,382	2,407	8,200	20,199
Gain (Loss) on Disposition	-	94	(1,351)	(1,572)	-	-	-	171
Income before Income Taxes	9,915	7,140	(7,480)	(5,595)	26,527	14,271	18,501	30,750
Current Tax Recovery (Expense)	-	-	1,124	(1,451)	-	-	327	-
Deferred Tax Expense	(2,747)	(2,085)	(2,198)	2,861	(5,061)	(1,972)	(4,128)	(7,313)
Net Income	\$7,168	\$5,055	(\$8,554)	(\$4,185)	\$21,466	\$12,299	\$14,700	\$23,437
Other comprehensive loss								
Amortization of Loss in AOCL to Finance Costs	10							
Unrealized Loss on Forward Interest Hedge	-	(62)	11	-	(40)	-	(107)	-
Comprehensive income	\$7,178	\$4,993	(\$8,543)	(\$4,185)	\$21,426	\$12,299	\$14,593	\$23,437
Net Income Attributable to:								
Common Shareholders	\$6,922	\$4,869	(\$9,259)	(\$4,543)	\$20,491	\$12,117	\$13,671	\$23,238
Non-controlling Interest	246	186	\$705	\$358	975	182	1,029	199
	\$7,168	\$5,055	(\$8,554)	(\$4,185)	\$21,466	\$12,299	\$14,700	\$23,437
Comprehensive Income Attributable to:								
Common Shareholders	\$6,932	\$4,807	(\$9,248)	(\$4,543)	\$20,451	\$12,117	\$13,564	\$23,238
Non-controlling Interest	246	186	\$705	\$358	\$975	\$182	\$1,029	\$199
	\$7,178	\$4,993	(\$8,543)	(\$4,185)	\$21,426	\$12,299	\$14,593	\$23,437

Quarterly Financial Information

Statement of Cash Flow

In \$ thousands

<i>For the quarter ended</i>	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	June 30, 2013
OPERATING ACTIVITIES								
Net income	\$7,168	(\$8,554)	\$21,466	\$14,700	\$5,055	(\$4,186)	\$12,299	\$23,437
Add (deduct) items not affecting cash								
Fair value (gains) losses	(793)	16,814	(13,382)	(8,200)	-	13,827	(2,407)	(20,199)
Depreciation and amortization	643	627	599	572	557	581	579	547
Non-cash compensation expense	13	113	121	118	21	90	48	130
Equity income	-	(329)	(166)	(166)	(168)	(138)	(189)	(841)
Deferred income taxes	2,747	2,198	5,061	4,128	2,085	(2,861)	1,972	7,313
Current tax recovery	-	(1,124)	-	(327)	-	-	-	-
Loss (gain) on disposal	-	1,351	-	-	(94)	1,272	-	(171)
Financing costs	9,113	8,701	8,618	8,680	8,610	9,061	9,275	8,329
Interest paid	(7,770)	(11,319)	(7,291)	(8,934)	(7,114)	(10,488)	(7,553)	(10,075)
Net change in non-cash working capital items related to operations	(5,751)	10,692	2,874	(7,387)	2,318	5,845	(5,259)	(557)
Cash provided by operating activities	5,370	19,170	17,900	3,184	11,270	13,003	8,765	7,913
FINANCING ACTIVITIES								
Increase in deferred financing	(1,292)	(1,477)	(1,459)	(1,576)	(1,928)	(661)	(598)	(993)
Proceeds on issuance on common shares	1,863	48,753	7,022	225	583	169	286	120
Mortgage financings	47,033	82,271	56,921	71,281	52,894	38,358	69,998	35,328
Mortgages repaid on maturity	(18,661)	(28,787)	(31,701)	(32,872)	(36,757)	(26,842)	(8,581)	(16,003)
Mortgage principal repayments	(6,513)	(9,224)	(5,884)	(5,567)	(5,781)	(14,715)	(5,080)	(5,445)
Proceeds from construction loans	5,410	7,962	8,589	4,501	892	-	7,799	7,188
Construction loans repaid on maturity	(10,000)	(4,775)	-	-	-	-	(17,575)	(2,936)
Distributions paid on non-controlling interests	(219)	(235)	(225)	(211)	(239)	(263)	(86)	(291)
Dividends	(8,083)	(7,942)	(7,730)	(7,482)	(7,439)	(7,237)	(7,058)	(6,909)
Cash provided by (used in) financing activities	9,538	86,546	25,533	28,299	2,225	(11,191)	39,105	10,059
INVESTING ACTIVITIES								
(Increase) decrease in restricted cash	(1,562)	(1,905)	(428)	2,207	(1,015)	(518)	(510)	4,189
Acquisition of non-controlling interest	-	-	(457)					
Increase in loan receivable	-	-	-	(4,000)	-	-	-	-
(Increase) decrease in investment in joint venture, net of distributions	-	(95)	(281)	36	114	(95)	-	27
Net proceeds on sale of investment properties	-	17,337	-	-	134	42,951	-	171
Acquisition and development of investment property, net of debt assumed	(7,464)	(97,160)	(34,011)	(25,558)	(24,237)	(19,795)	(45,566)	(28,371)
Capital expenditures	(4,839)	(12,359)	(9,555)	(7,193)	(4,532)	(8,056)	(5,705)	(5,192)
Cash used in investing activities	(13,865)	(94,182)	(44,732)	(34,508)	(29,536)	14,487	(51,781)	(29,176)
Net (decrease) increase in cash	1,043	11,534	(1,299)	(3,025)	(16,041)	16,299	(3,911)	(11,204)
Cash, beginning of period	18,847	7,313	8,612	11,637	27,678	11,379	15,290	26,494
Cash, end of period	\$19,890	\$18,847	\$7,313	\$8,612	\$11,637	\$27,678	\$11,379	\$15,290

Portfolio Information

	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	June 30, 2013
<i>Rental Units</i>								
Apartments ⁽¹⁾	13,466	13,427	13,057	12,905	12,822	12,647	12,528	12,349
MHCs	5,165	5,165	5,165	5,165	5,164	5,164	7,407	7,407
Total	18,631	18,592	18,222	18,070	17,986	17,811	19,935	19,756
<i>Average Rent</i>								
Apartments	\$952	\$949	\$935	\$921	\$916	\$915	\$913	\$910
MHCs	\$228	\$227	\$224	\$222	\$222	\$222	\$228	\$227
<i>Occupancy</i>								
Apartments	95.5%	95.8%	94.7%	94.9%	94.7%	95.6%	94.2%	93.6%
MHCs	98.3%	98.4%	98.4%	98.0%	98.0%	98.1%	97.9%	98.0%

(1) At March 31, 2015, Killam had a 100% ownership interest in 12,416 units, a 49% ownership interest in the 246-unit Garden Park Apartments in Halifax and a 50% ownership interest in three Ontario properties and 50% ownership interest in one Alberta property, through joint arrangements. Those properties owned through the joint arrangements represent 804 units.

Portfolio Information
Quarterly Occupancy

As at,	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	Jun 30, 2013
Apartments ⁽¹⁾								
Halifax, NS	95.2%	95.3%	94.4%	94.2%	94.5%	96.0%	95.2%	95.0%
Moncton, NB	94.0%	93.8%	92.6%	94.1%	93.0%	94.0%	92.4%	90.3%
Fredericton, NB	94.2%	96.1%	93.5%	95.0%	94.9%	96.4%	93.5%	94.3%
Saint John, NB	93.4%	95.3%	94.4%	95.4%	93.9%	91.9%	88.1%	89.3%
St. John's, NL	97.0%	97.2%	96.4%	95.9%	95.1%	97.2%	97.8%	97.4%
Charlottetown, PE	97.0%	98.4%	97.5%	96.0%	95.8%	94.9%	94.2%	92.3%
Ontario	97.6%	97.3%	96.6%	96.5%	97.6%	98.0%	94.7%	92.2%
Alberta	98.1%	98.4%	-	-	-	-	-	-
Other Atlantic	97.9%	96.6%	95.3%	94.5%	94.5%	94.7%	95.1%	95.0%
Total Apartments	95.5%	95.8%	94.7%	94.9%	94.7%	95.6%	94.2%	93.6%
MHCs ⁽²⁾	98.3%	98.4%	98.4%	98.0%	98.1%	98.0%	97.9%	98.0%
Total Portfolio	96.3%	96.5%	95.7%	95.8%	95.7%	96.3%	95.6%	95.2%

(1) Occupancy represents the percentage of gross potential rent achieved during the quarter. It is calculated based on vacancy (in dollars) divided by gross potential residential rent (in dollars) of total stabilized units for the quarter. At March 31, 2015, all apartment units are included in the occupancy statistics with the exception of Chelsea Place, Kanata 2 and 300 Royale.

(2) MHC occupancy stats exclude sites that have not been previously rented or are unavailable for rent (91 sites at March 31, 2015), including some expanded sites, and 1,592 seasonal resort sites.

Same Store Results – Apartments

Note: Same store results reflect the properties that Killam has owned for equivalent periods in 2015 and 2014. This represents 92% of the portfolio.

For the Three Months Ended March 31,												
	2015			2014			2015			2014		
	Revenue	Revenue	% Change	Expenses	Expenses	% Change	NOI	NOI	% Change			
Halifax	\$13,220	\$12,954	2.1%	\$6,162	\$5,973	3.2%	\$7,058	\$6,981	1.1%			
Moncton	3,770	3,702	1.8%	2,110	2,090	1.0%	1,660	1,612	3.0%			
Fredericton	3,262	3,167	3.0%	1,733	1,723	0.6%	1,529	1,444	5.9%			
Saint John	2,471	2,449	0.9%	1,684	1,909	(11.8%)	787	540	45.7%			
Ontario	3,417	3,348	2.1%	1,420	1,418	0.1%	1,997	1,930	3.5%			
St. John's	2,141	2,055	4.2%	709	728	(2.6%)	1,432	1,327	7.9%			
Charlottetown	2,344	2,286	2.5%	1,107	1,193	(7.2%)	1,237	1,093	13.2%			
Other	1,214	1,139	6.6%	598	574	4.2%	616	565	9.0%			
Total	\$31,839	\$31,100	2.4%	\$15,523	\$15,608	(0.5%)	\$16,316	\$15,492	5.3%			

Same Store Results - MHCs

For the Three Months Ended March 31,												
	2015			2014			2015			2014		
	Revenue	Revenue	% Change	Expenses	Expenses	% Change	NOI	NOI	% Change			
Nova Scotia	\$1,730	\$1,691	2.3%	\$677	\$642	5.5%	\$1,053	\$1,049	0.4%			
Ontario	944	913	3.4%	484	469	3.2%	460	444	3.6%			
Newfoundland	106	99	7.1%	39	39	0.0%	67	60	11.7%			
New Brunswick	-	-	-	29	28	3.6%	(29)	(28)	3.6%			
Total	\$2,780	\$2,703	2.8%	\$1,229	\$1,178	4.3%	\$1,551	\$1,525	1.7%			

Same Store Results – Change in Occupancy and Average Rent

Occupancy			
For the quarter	Q1 2015	Q1 2014	Change
Apartments			
Halifax, NS	95.2%	94.5%	↑ 70 bps
Fredericton, NB	94.4%	94.9%	↓ 50 bps
Moncton, NB	94.0%	92.9%	↑ 110 bps
Saint John, NB	93.4%	93.9%	↓ 50 bps
St. John's, NL	97.0%	95.1%	↑ 190 bps
Charlottetown, PE	97.0%	95.8%	↑ 120 bps
Ontario	98.5%	97.6%	↑ 110 bps
Other	97.9%	94.5%	↑ 240 bps
Total Apartment Portfolio	95.5%	94.7%	↑ 80 bps
Manufactured Home Communities			
	98.3%	98.0%	↑ 30 bps

Average Rent			
For the quarter	Q1 2015	Q1 2014	Change
Apartments			
Halifax, NS	\$922	\$908	↑ 1.5%
Fredericton, NB	\$855	\$854	↑ 0.1%
Moncton, NB	\$818	\$819	↓ 0.1%
Saint John, NB	\$750	\$745	↑ 0.7%
St. John's, NL	\$880	\$861	↑ 2.2%
Charlottetown, PE	\$889	\$878	↑ 1.3%
Ontario	\$1,152	\$1,143	↑ 0.8%
Other	\$821	\$803	↑ 2.2%
Total Apartment Portfolio	\$892	\$883	↑ 1.1%
Manufactured Home Communities			
	\$228	\$221	↑ 3.0%

NOI by City – Apartments

For the Three Months Ended March 31,												
	2015			2014			2015			2014		
	Revenue	Revenue	% Change	Expenses	Expenses	% Change	NOI	NOI	% Change			
Halifax	\$14,293	\$13,521	5.7%	\$6,598	\$6,194	6.5%	7,695	7,327	5.0%			
Moncton	4,008	3,886	3.1%	2,255	2,192	2.9%	1,753	1,694	3.5%			
Fredericton	3,651	3,394	7.6%	1,978	1,929	2.5%	1,673	1,465	14.2%			
Saint John	2,472	2,445	1.1%	1,707	1,909	(10.6%)	765	536	42.7%			
Charlottetown	2,344	2,286	2.5%	1,119	1,193	(6.2%)	1,225	1,093	12.1%			
St. John's	2,362	2,055	14.9%	784	728	7.7%	1,578	1,327	18.9%			
Ont apts	5,439	3,294	65.1%	2,258	1,443	56.5%	3,181	1,851	71.9%			
Alberta	842	-	100.0%	229	-	100.0%	613	-	100.0%			
Other	1,213	1,139	6.5%	603	590	2.2%	610	549	11.1%			
Total	\$36,624	\$32,020	14.4%	\$17,531	\$16,178	8.4%	\$19,093	\$15,842	20.5%			

NOI by Province – MHCs

For the Three Months Ended March 31,												
	2015			2014			2015			2014		
	Revenue	Revenue	% Change	Expenses	Expenses	% Change	NOI	NOI	% Change			
Nova Scotia	\$1,730	\$1,886	(8.3%)	\$685	\$642	6.7%	\$1,045	\$1,244	(16.0%)			
Ontario	944	913	3.4%	494	469	5.3%	450	444	1.4%			
Newfoundland	106	99	7.1%	39	39	0.0%	67	60	11.7%			
New Brunswick	-	-	-	29	28	3.6%	(29)	(28)	3.6%			
Total	\$2,780	\$2,898	(4.1%)	\$1,247	\$1,178	5.9%	\$1,533	\$1,720	(10.9%)			