



Investor Presentation | January 2020

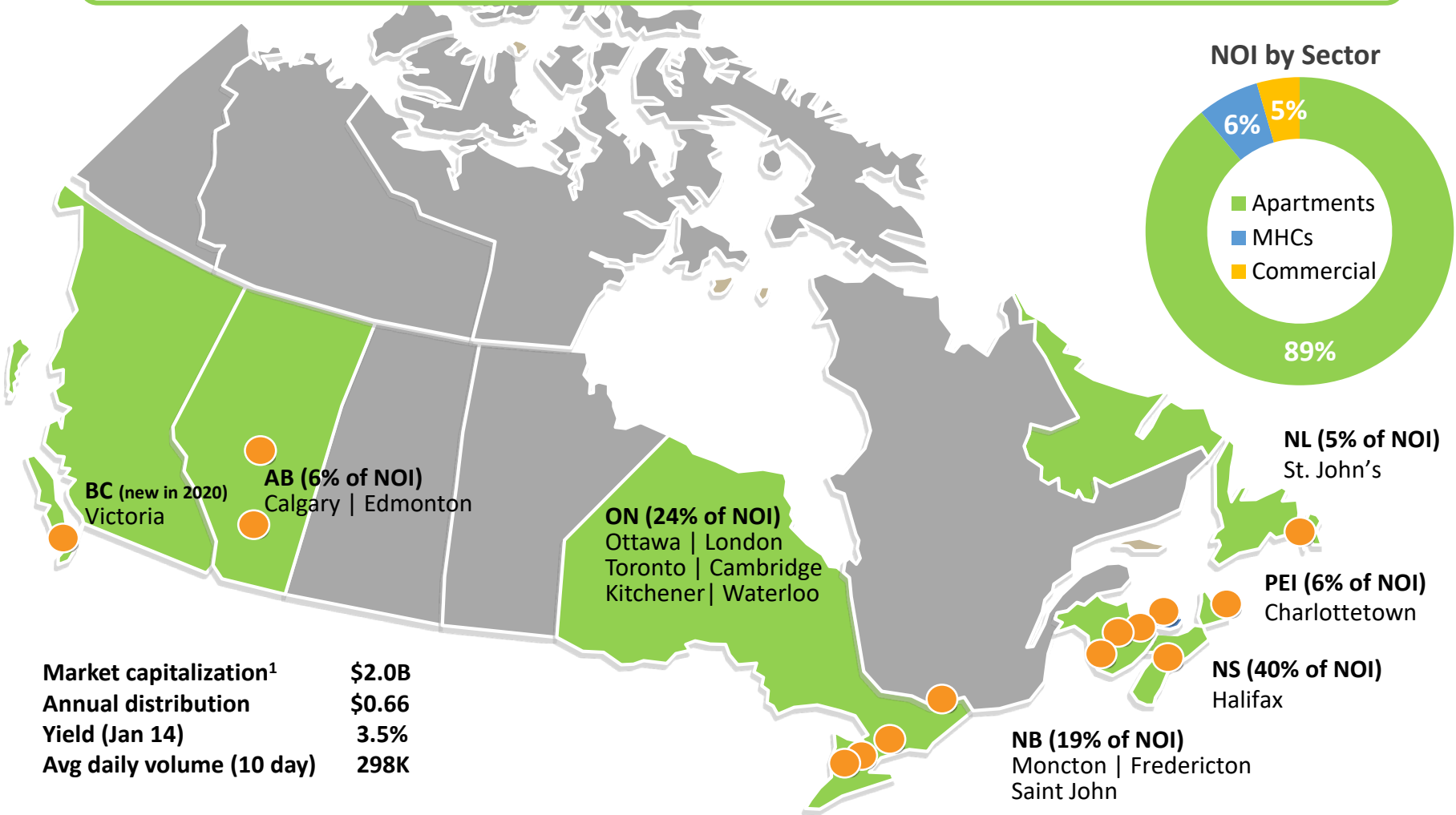


Cautionary Statement

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.



Killam's portfolio includes ~\$3.2 billion in real estate assets, comprised of 16,486 apartment units, 5,786 manufactured home community (MHC) sites and 0.8 million square feet of commercial space.



Market capitalization ¹	\$2.0B
Annual distribution	\$0.66
Yield (Jan 14)	3.5%
Avg daily volume (10 day)	298K

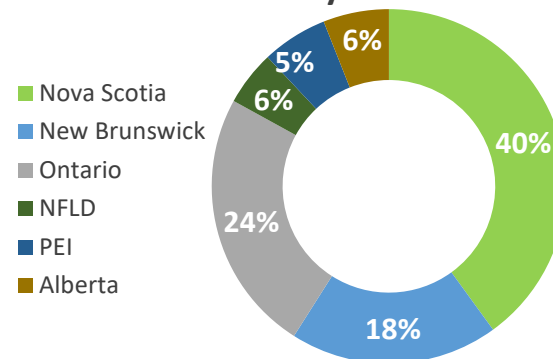
¹ Includes exchangeable units.

Portfolio Details

Apartment Portfolio%			
	Number of Units	Number of Properties	% of Total NOI ⁽¹⁾
Nova Scotia			
Halifax	5,753	63	35.3%
Sydney	139	2	0.9%
	5,892	65	36.2%
New Brunswick			
Moncton	1,804	34	7.0%
Fredericton	1,529	23	6.9%
Saint John	1,202	14	4.0%
Miramichi	96	1	0.4%
	4,631	72	18.3%
Ontario			
Ottawa	1,216	9	6.2%
London	523	5	3.6%
Cambridge-GTA	818	6	6.8%
	2,557	20	16.6%
Newfoundland & Labrador			
St. John's	915	12	4.6%
Grand Falls	148	2	0.5%
	1,063	14	5.1%
Prince Edward Island			
Charlottetown	986	19	4.9%
Summerside	86	2	0.4%
	1,072	21	5.3%
Alberta			
Edmonton	579	4	3.1%
Calgary	531	3	3.3%
	1,110	7	6.4%
British Columbia			
Victoria ⁽³⁾	161	1	- %
Total Apartments	16,486	200	87.9%

Manufactured Home Community Portfolio			
	Sites	Number of Communities	% of Total NOI ⁽¹⁾
Nova Scotia	2,749	17	3.1%
Ontario	2,284	17	4.0%
New Brunswick ⁽²⁾	583	2	0.2%
Newfoundland & Labrador	170	2	0.2%
Total MHCs	5,786	38	7.5%
Commercial Portfolio			
	Square Footage	Number of Properties	% of Total NOI ⁽¹⁾
Nova Scotia	254,000	5	0.8%
Ontario	297,000	1	3.1%
Prince Edward Island	176,225	1	0.6%
New Brunswick	45,500	1	0.1%
Total Commercial	772,725	8	4.6%
Total Portfolio		245	100.0%

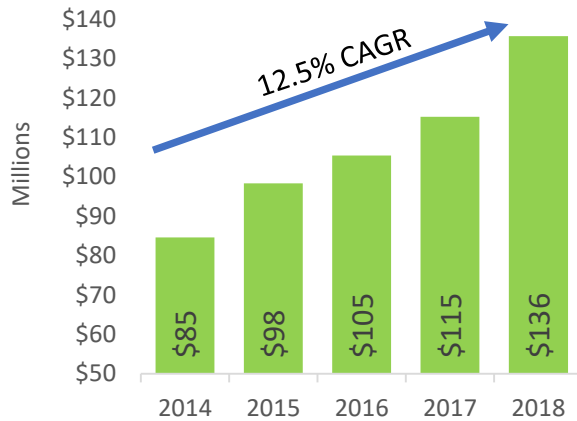
NOI By Province



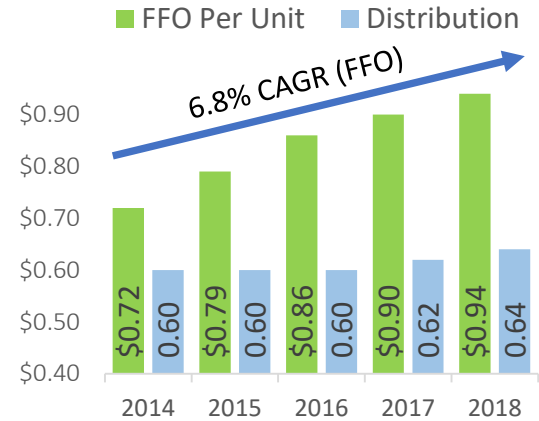
- (1) % of total NOI for the nine months ended September 30, 2019.
- (2) Killam's NB MHC community has seasonal operations which commence in mid-May annually and a 2nd seasonal property acquired in Oct 2019.
- (3) 161-unit purchase in Jan-2020

Proven Record of Strong Growth

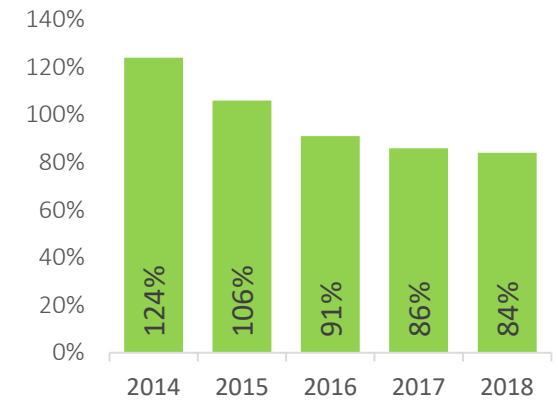
Net Operating Income



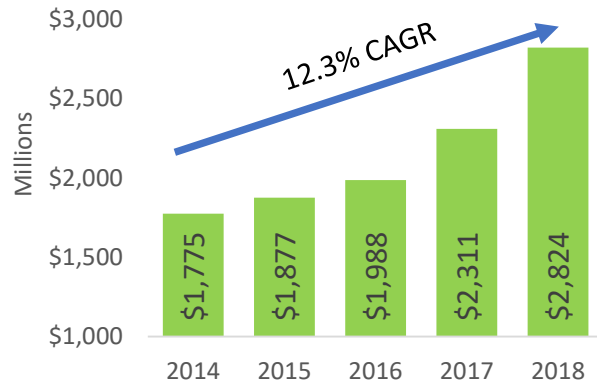
FFO & Distribution Per Unit



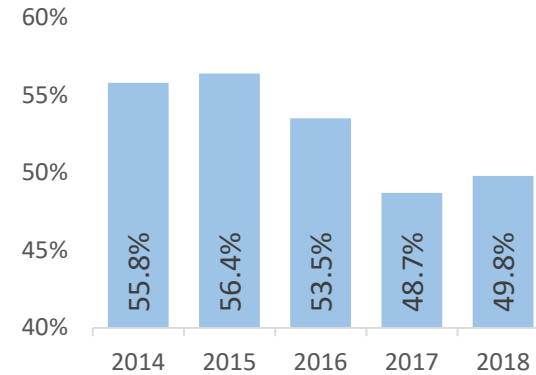
AFFO Payout Ratio¹



Total Assets



Debt as a % of Assets



¹ AFFO payout ratio for 2017-2018 calculated using a maintenance capex reserve of \$900/unit for apartments. AFFO payout ratio for 2014 – 2016 calculated using a maintenance capex reserve of \$970/unit for apartments.

² Pro-forma liquidity at December 31, 2017, includes pending mortgage financings that were arranged, but had not closed at December 31, 2017.

Why Invest in Killam

Solid Operating Performance

Growing the portfolio and expanding geographically with accretive acquisitions, growing FFO, AFFO and NAV per unit.

High Quality Portfolio

One of Canada's highest-quality and youngest apartment portfolios with 33% of NOI generated from apartments built in the last 10 years.

Experienced Developer

\$700 million development pipeline to support future growth.

Strong Balance Sheet

Conservative balance sheet with capital flexibility.

Technology & Data Driven Decisions

Revenue growth and operating efficiency opportunities.

Commitment to ESG

Continued progress on sustainability and ESG practices.

Increasing Distributions

3-years of increasing distributions and declining payout ratios

Engaged Team

Experienced management team with board knowledge of Killam's core markets.



2019 Target

Q1 - Q3 2019 Performance

Same Property NOI Growth of 3% to 5%.

✓ 4.1% 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.

✓ \$190 million of assets purchased in 2019 and recorded \$134 million Q3 YTD-2019 in fair value gains.

Earn at least 30% of 2019 NOI outside Atlantic Canada.

~On track to meet this target with ~30% of YTD-2019 NOI was generated by properties in Ontario and Alberta.

Complete phase one of the Ottawa development (Frontier), break ground on The Kay and one additional development project.

✓ Frontier was completed in June 2019.
✓ Broke ground on Latitude (Phase II of the Gloucester City Centre development) in Q2 and The Kay during Q3-2019.

Maintain debt as a percentage of assets ratio below 49%.

✓ 47.2% debt to assets ratio at September 30, 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.

Clearly Defined Strategy to Grow FFO & NAV

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



1. Increase earnings from existing portfolio.

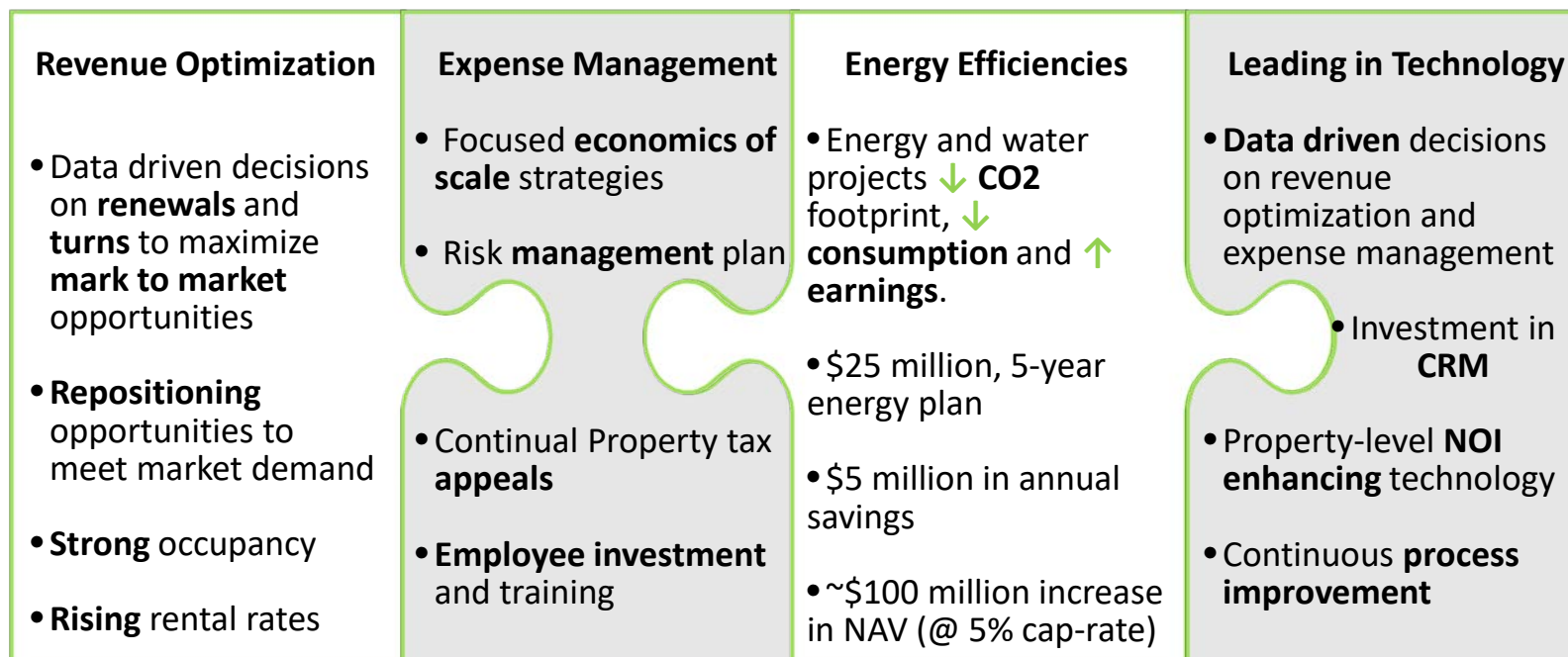


2. Expand the portfolio and diversify geographically through accretive acquisitions, targeting newer properties.



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

Roadmap to Same Property NOI Growth



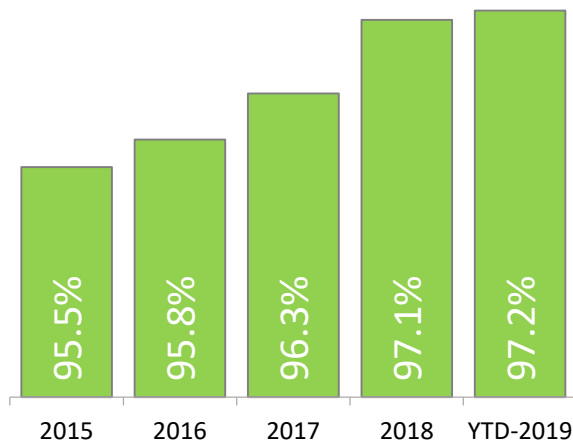
2019 Target: Same Property NOI growth of 3-5%. **Long-term Target:** Same Property NOI growth averaging over 3%.

1. Increasing earnings from existing portfolio.

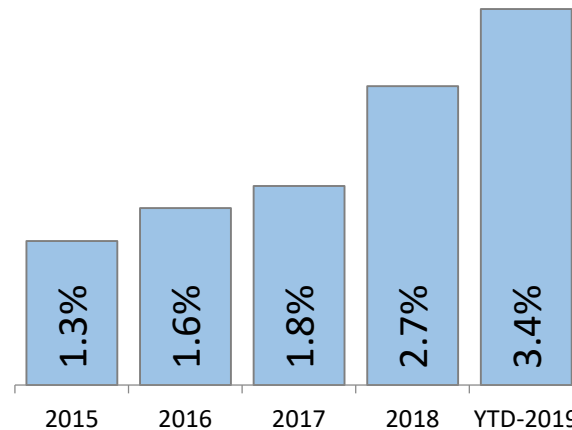


- **Strong occupancy**
 - 2018 occupancy was Killam's highest,
 - YTD 2019 occupancy is 50 bps higher than YTD-2018.
- **Rising rental rates**
 - Rate increases on renewals (2.1%), regular turns (5.7%) and repositioned turns (28.9%) averaged **3.4%** in Q3-2019, up from 2.5% in Q3-2018.

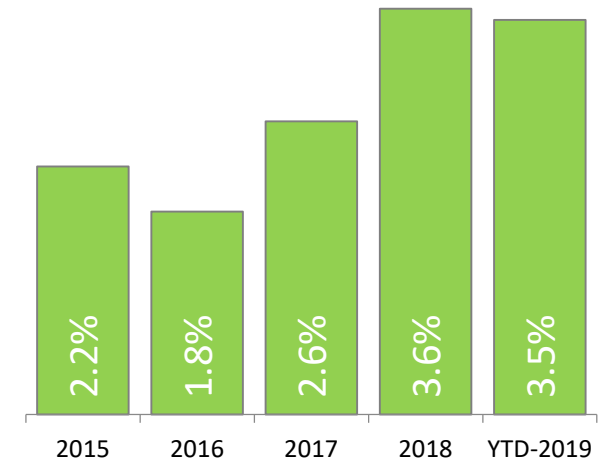
Apartment Same Property Occupancy¹



Apartment Same Property Average Rental Rate Growth



Same Property Revenue Growth

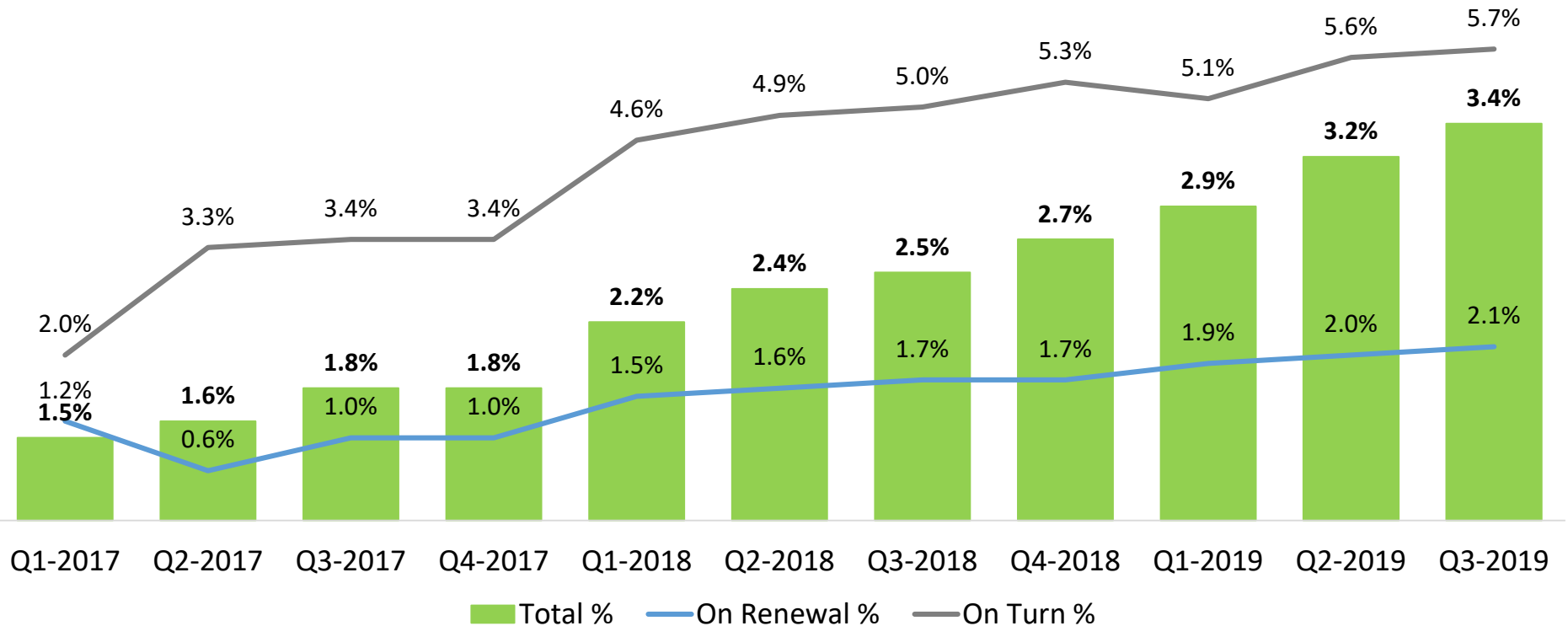


¹ Measured as dollar vacancy versus unit vacancy to more accurately capture impact of vacant units.

1. Increasing earnings from existing portfolio.

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

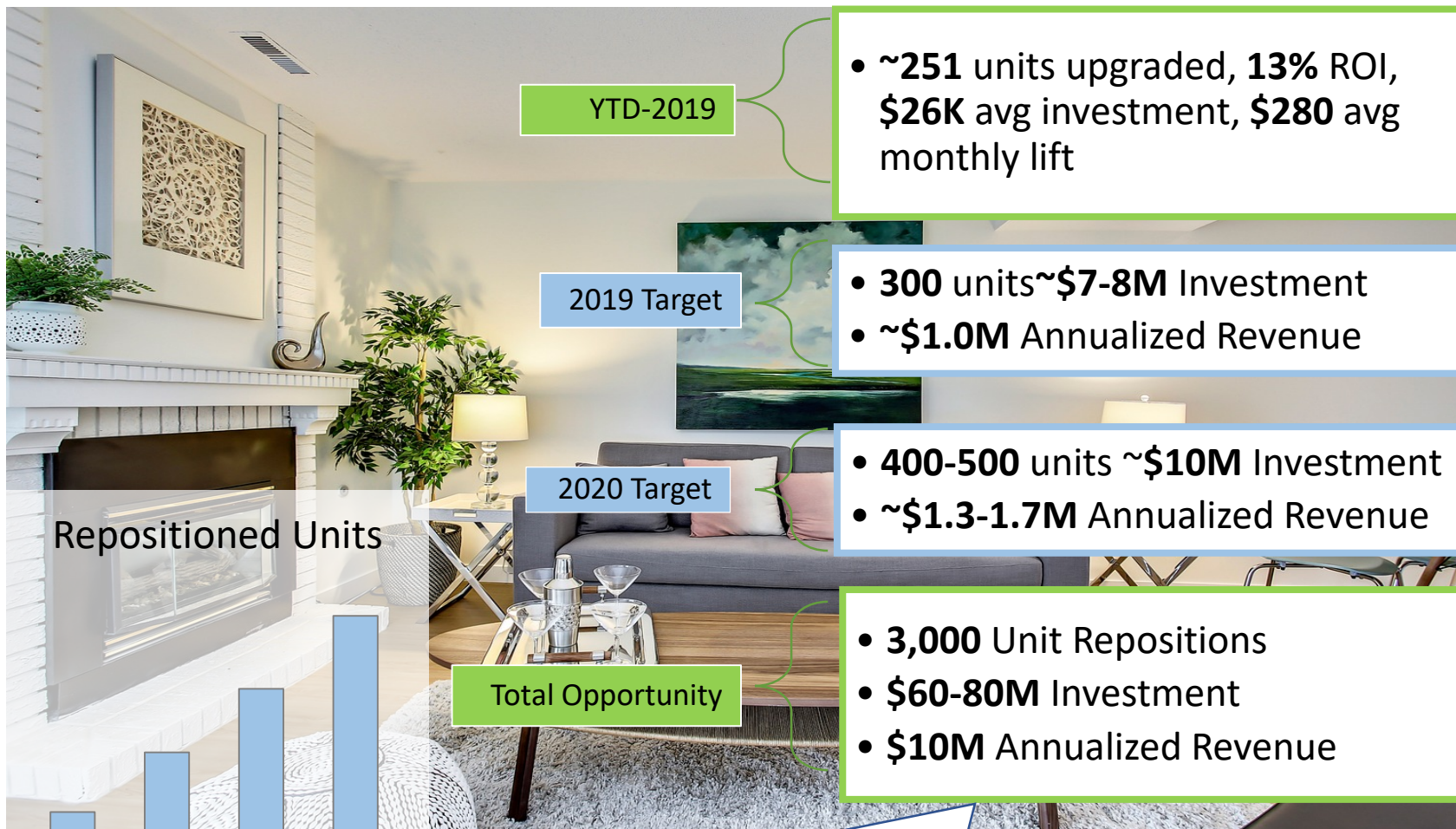
Same Property Rental Increases (%)



Same property rental rate growth has accelerated ~20 bps in each of the past seven quarters, from 1.8% in Q4-2017 to 3.4% in Q3-2019.

1. Increasing earnings from existing portfolio.

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



Repositioned Units



*forecast

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

1. Increasing earnings from existing portfolio.



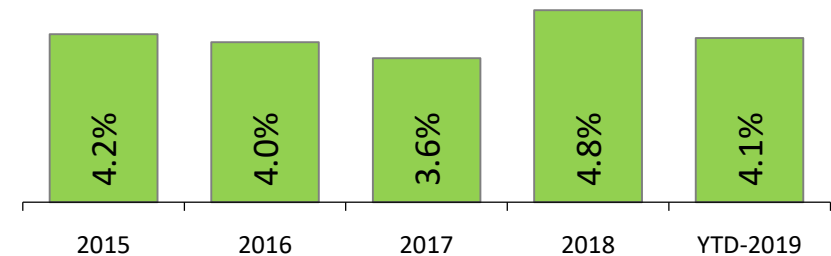
Increasing earnings from existing operations through expense management.

- **Energy conservation initiatives**
- **Economies of scale** – Negotiating **lower pricing** for goods and services.
- **Employee training** – Focusing on **front-line** repairs and maintenance **staff**.
- **Investment in technology** – **Mobile maintenance** and **online invoice processing**.
- **Risk management** – Emphasising **loss prevention** and **claims management**.
- **Property taxes** – **Appealing** rising property tax **assessments**.

Same Property Expense Growth



Same Property NOI Growth



2019 Target: Same Property NOI growth of 3-5%. **Long-term Target:** Same Property NOI growth averaging over 3%.

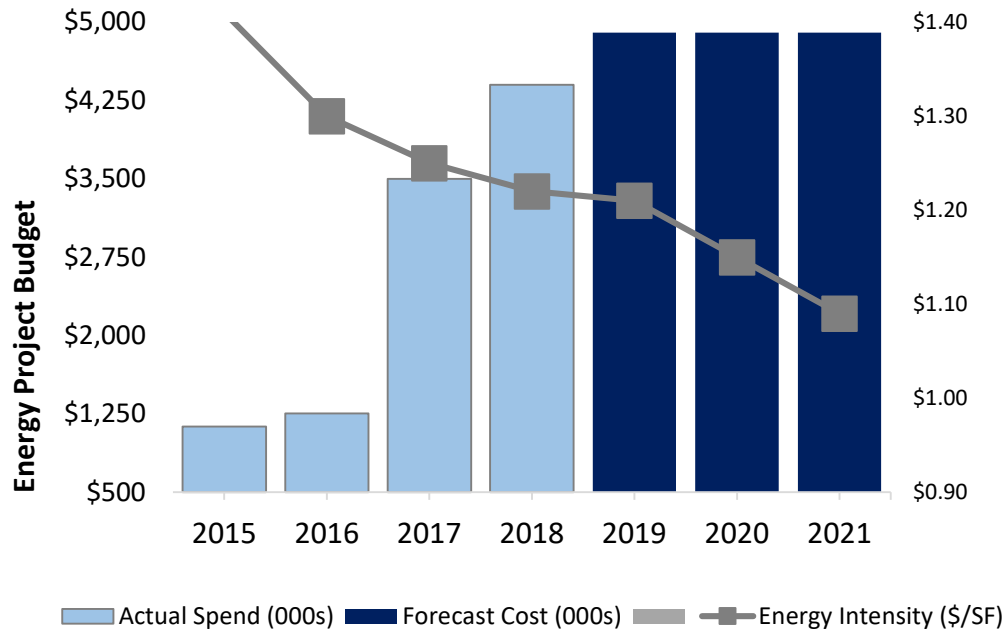
1. Increasing earnings from existing portfolio.

Energy Efficiencies

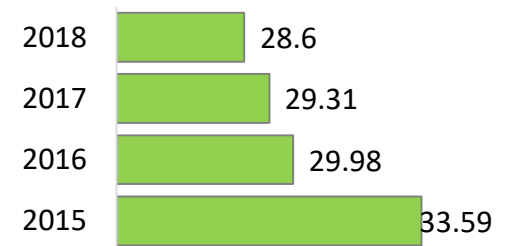
Increasing earnings from operations through energy efficiency.
 Five year plan | **\$25 Million** of investments | **\$11 Million** invested to date | **5 Year** average payback | **\$5 Million** potential savings for a **\$100 Million** increase in NAV at 5.0% cap rate.

Five Year Plan 2017 – 2021

Energy and Water Project Budget and Energy Intensity \$/SF



Carbon Intensity (kgCO2e/SF)

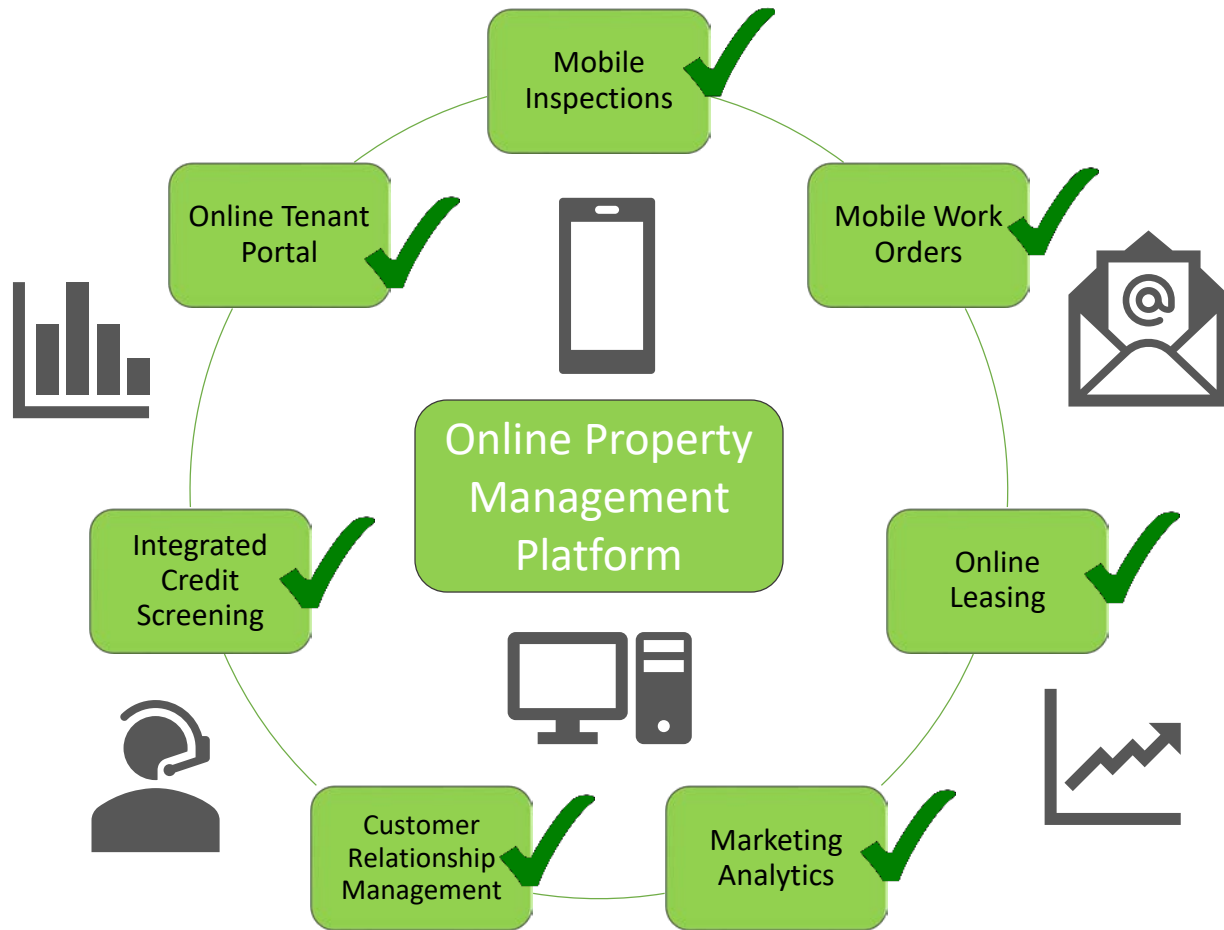


Since commencing the five-year, \$25 million energy-efficiency program in 2016, we have seen a 15% reduction in GHG intensity (as measured by CO2e/SF).

We are targeting another 3% reduction in carbon intensity in 2019.

2019 Planned | \$5.0 Million investment, 197 projects, \$0.9 Million annual savings, 5.6 year payback.

1. Increasing earnings from existing portfolio.



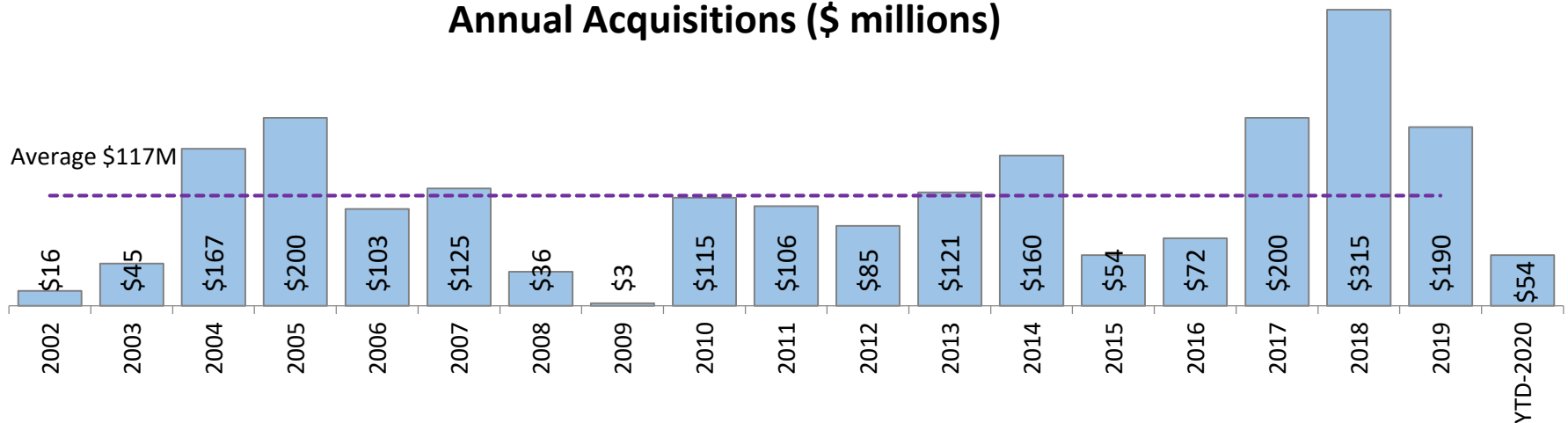
Next Priorities:

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

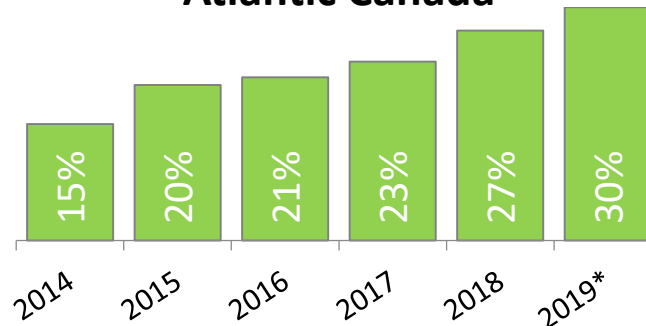
2. Expand Portfolio Through Accretive Acquisitions

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

Annual Acquisitions (\$ millions)



NOI Generated Outside Atlantic Canada



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

Long-term Target: >35% of NOI generated outside Atlantic Canada by 2021.

2020 Acquisitions | Christie Point

Description:

161 units

5 two-storey apartment buildings and 4 two-storey townhouses with 2 and 3 bedroom units

Average rent – \$1,555/month (\$1.67/sf)

Acquisition Details:

\$54 million

4.1% capitalization rate

99% occupied

Closed: January 15, 2020

Location:

Victoria, BC



2019 Acquisitions

						Purchase Price ⁽¹⁾ (\$M)	
Property	Location	Acquisition Date	Ownership Interest (%)	Property Type	Income-Producing Properties (\$M)	Land for Development (\$M)	
1	9 Dietz	Waterloo, ON	Jan 15, 2019	100%	Dev Land	\$-	\$1,500
2	11 Harold Doherty	Fredericton, NB	Apr 18, 2019	100%	Apartment	8,100	
3	Charlottetown Mall	Charlottetown, PE	May 17, 2019	50%	Retail	23,750	
4	Grid 5 ⁽²⁾	Calgary, AB	Jun 14, 2019	100%	Apartment	42,700	
5	Silver Spear ⁽²⁾	Mississauga, ON	Jun 14, 2019	100%	Apt/Dev Land	27,200	3,600
6	Dieppe Village ⁽³⁾	Moncton, NB	Jun 27, 2019	100%	Apartment/Retail	28,000	900
7	59 Irvin	Kitchener, ON	Jun 21, 2019	100%	Dev Land		150
8	150 Lian	Fredericton, NB	Aug 20, 2019	100%	Apartment	9,250	
9	Oceanic MHC	Shediac, NB	Nov 1, 2019	100%	MHC	3,800	
10	145 Canaan	Moncton, NB	Nov 22, 2019	100%	Apartment	9,500	
11	The Link	Edmonton, AB	Nov 25, 2019	100%	Apartment	31,500	
Total Acquisitions						\$183,800	\$6,150

(1) Purchase price does not include transaction costs.

(2) Killam acquired a 50% interest in each property and now holds 100% ownership. The units shown above represent 50% of the total apartment units.

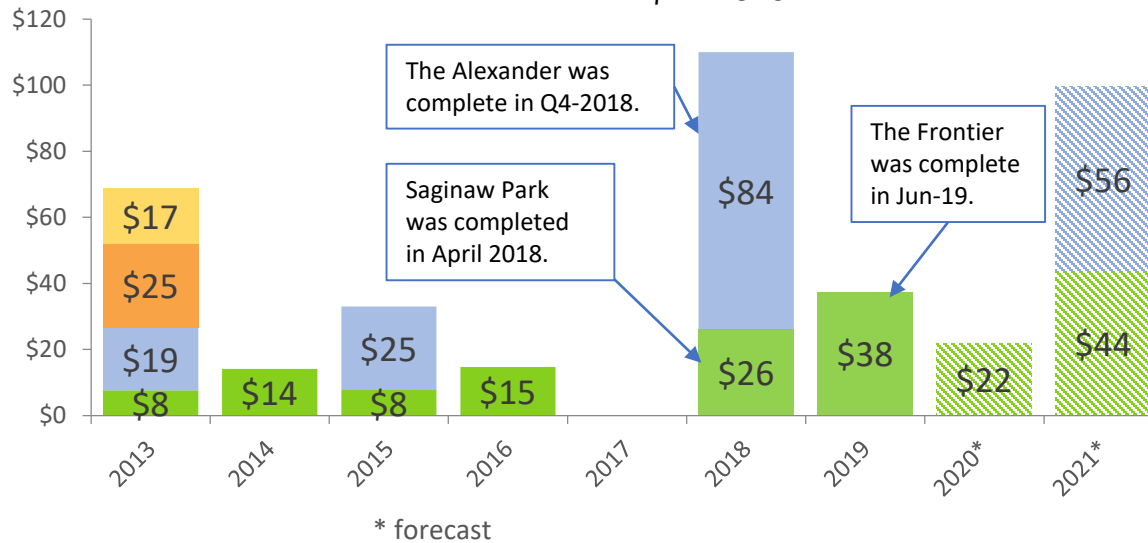
(3) Dieppe Village includes 127 apartment units (\$21.4 million) and 45,500 square feet of commercial space (\$6.6 million).

3. Develop High Quality Properties

Developing high-quality properties in core markets.

- Over \$400 million (1,500 units) of developments completed or underway.
- Experienced in-house architect and engineers.
- Development pipeline of approximately 2,200 units.

Developments Completed and Underway
\$millions



The two recently completed developments, The Alexander and Saginaw Park, contributed to FFO per unit in 2019, while the Frontier will contribute in 2020.

Development Target: Create a minimum of \$20 million of value through development between 2019 through 2021.

3. Develop High-Quality Properties

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

**Projects Completed
2013 – 2019**

Value today - \$348M
Cost to build - 278M
Gain - \$70M (25%)



47 units - Charlottetown



63 units - Halifax, NS



102 units - St. John's, NL



71 units - St. John's, NL

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)	\$22.0
Cost per unit	\$282,000
Expected Yield	5.6%
Expected Value	4.75-5.0%



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

Shorefront, Charlottetown

The Kay development broke ground in Q3-2019.

Key Statistics

Number of units	128
Start date	Q3-2019
Estimated Completion date	Q2-2021
Project Budget (\$M)	\$56.0
Cost per unit	\$437,500
Expected Yield	5.0%
Expected Value Cap-rate	3.5%



The Kay, Mississauga

Latitude (Phase II of Gloucester City Centre)



Frontier (Phase I)

Latitude (Phase II)

Key Statistics

Number of units	209
Start date	Q2-2019
Est. Completion date	Q4-2021
Project Budget (\$M)*	\$43.5
Cost per unit	\$416,000
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

10 Harley Street – 38-unit redevelopment in Charlottetown.



Key Statistics

Number of units	38
Start date	Q3-2019
Estimated Completion date	Q4-2020
Project Budget (\$M)	\$10.0
Cost per unit	\$263,000
Expected Yield	5.4%
Expected Value	4.75-5.0%



- Original building was three stories and 29 units.
- Rebuild has increased the size to four stories and 38 units.
- Insurance proceeds from the loss are expected to cover a significant portion of the reconstruction costs.

Weber Scott Pearl

Description:

1.8 acre development site including a small commercial building and a heritage residence
Opportunity to develop a 163-unit apartment building

Location: Downtown Kitchener

Acquisition Details: \$6.0 million



Westmount Place

Development Opportunity:

- ~1000 units
- 3-phase development
- Construction expected to begin in early 2020
- Opportunity to create over \$70 million of unitholder value through the development of ~1,000 units

Future development, Westmount Place, Waterloo



Development Pipeline - ~\$700 million

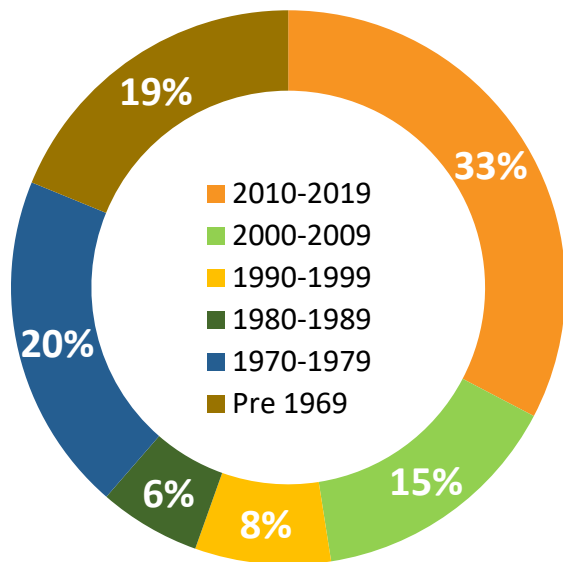
Future Development Opportunities					
Property	Location	Killam Interest	Potential # of Units	Status	Est Year of Completion
<u>Developments expected to start in the next 24 months</u>					
The Governor	Halifax, NS	100%	12	In design and approval process	2021
Nolan Hill	Calgary, AB	10%	23	In design and approval process	2021
Weber Scott Pearl	Kitchener, ON	100%	172	In design and approval process	2022
Westmount Place (Ph 1)	Waterloo, ON	100%	114	In design	2022
<u>Developments expected to start in 2021-2025</u>					
Haviland Street	Charlottetown, PE	100%	99	In design	2022
Gloucester City Centre (Ph 3-4)	Ottawa, ON	50%	185	In design	2024
Westmount Place (Ph 2-5)	Waterloo, ON	100%	908	In design	2028
<u>Additional future development projects</u>					
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			2,242		

~ 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.

Killam operates one of Canada's newest apartment portfolios.

- 33% of apartment NOI is earned from properties built in the last 10 years.
- Modern, high-quality buildings are in greater demand and require less maintenance capital to operate.

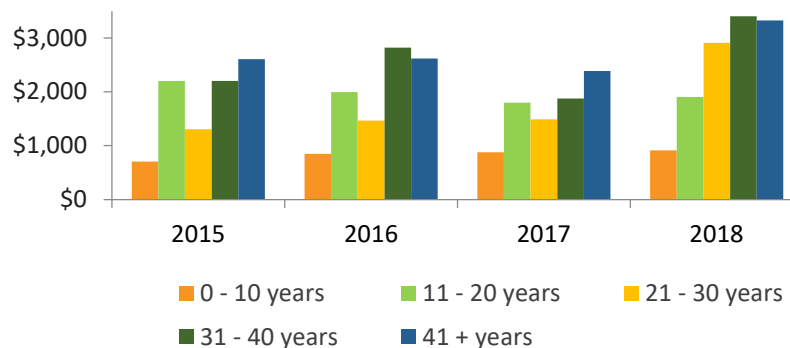
Apartment NOI by Year of Construction



Killam is growing its portfolio of high-quality properties by focusing on developments and acquiring newer properties.

Average Capital Spend Per Unit by Building Age

For the years ended Dec 31



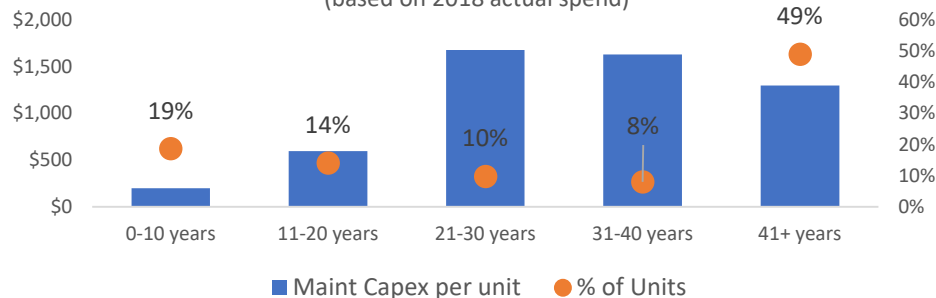
Killam's average annual spend for properties less than 10 years old was \$910 per unit in 2018 compared to \$3,325 per unit for buildings over 40 years old.

Killam's overall average annual capital spend was \$2,718 per unit in 2018.

Maintenance capital (\$900/unit) represents 33% of total capital spend.

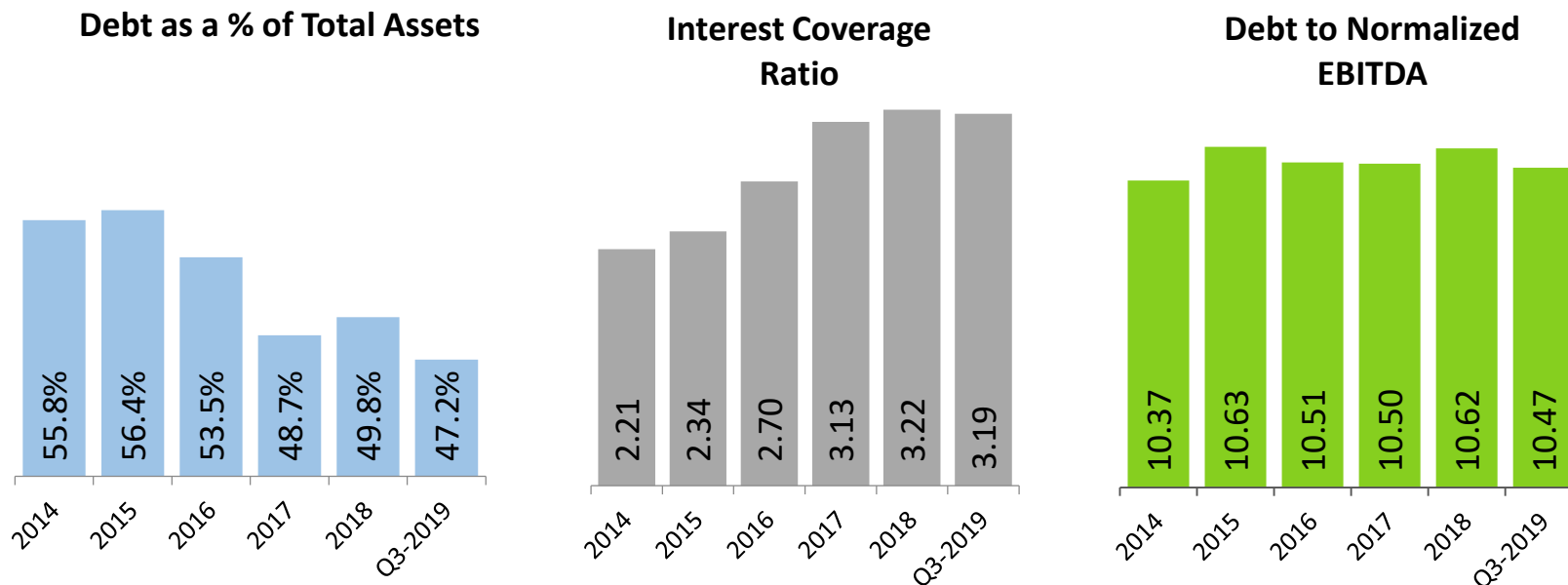
Avg Maint Capex Spend per Unit by Building Age

(based on 2018 actual spend)



Strong Balance Sheet, Increased Flexibility

Killam is managing its balance sheet with conservative leverage.



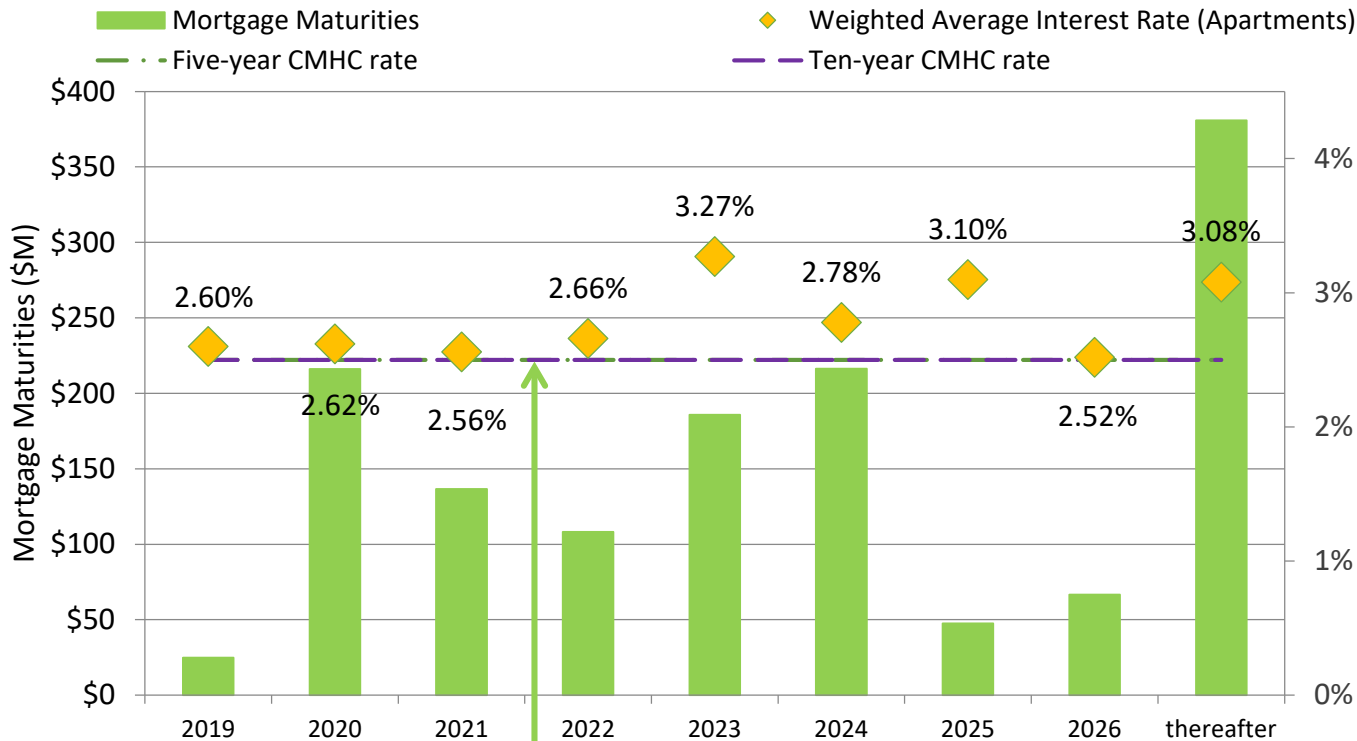
- Killam has a credit facility of up to \$90 million (including a \$20 million accordion feature). In November 2019, Killam closed a \$114.4 million public trust unit offering, repaying \$49 million drawn on its credit facility and the remainder to be used to fund future acquisitions.

Long-term Target: Reduce debt as a percentage of assets below 45% by the end of 2021.

Interest Expense Savings

Currently expect to refinance mortgage maturities at similar interest rates in 2019 & 2020.

Apartment Mortgage Maturities by Year As at September 30, 2019



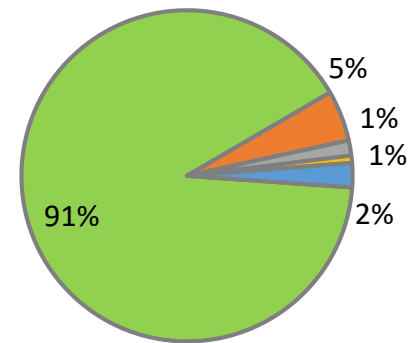
Current rate for 5-year and 10-year CMHC insured debt is approximately 2.50%.

Current Weighted Average Interest Rate of 2.91%

84% of Apartment Mortgages CMHC Insured

Weighted Average Term to Maturity of 4.6 years

Type of Debt as at September 30, 2019



- Apartment Mortgages
- MHC Mortgages
- Construction
- Variable
- Credit Facility

Appendices

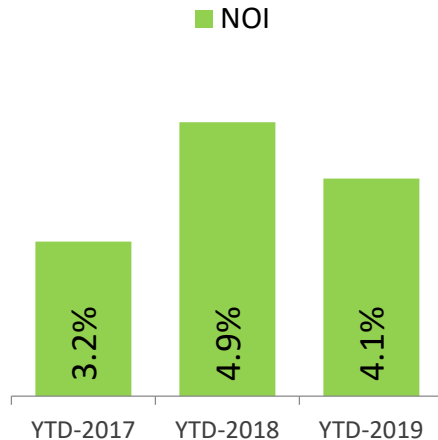
2018 & YTD-2019 Performance

Strong YTD-2019 Results

FFO and AFFO per unit growth from same property NOI growth, interest savings, accretive acquisitions and developments.

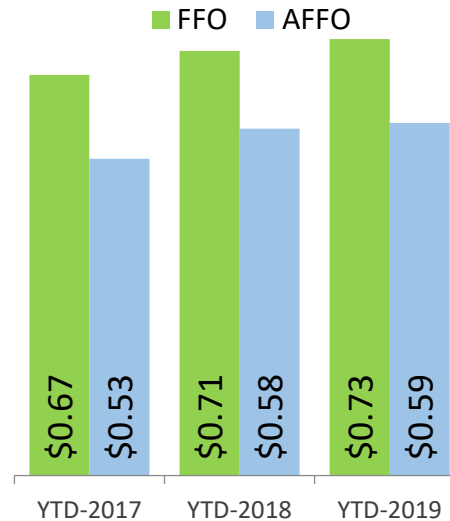
Same Property Consolidated NOI Growth

For the nine months ended September 30,



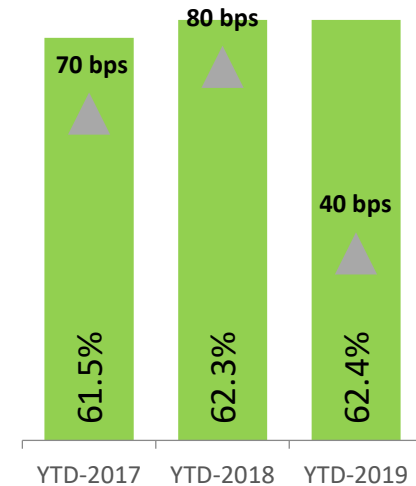
YTD FFO & AFFO Per Unit

For the nine months ended September 30,



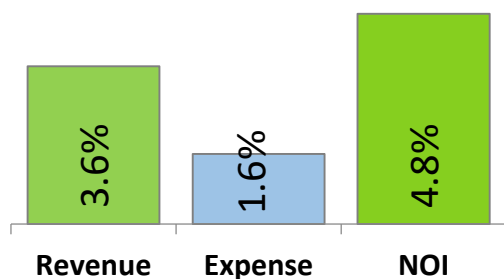
YTD Operating Margin Expansion

■ Operating Margin
▲ Increase QoQ (bps)

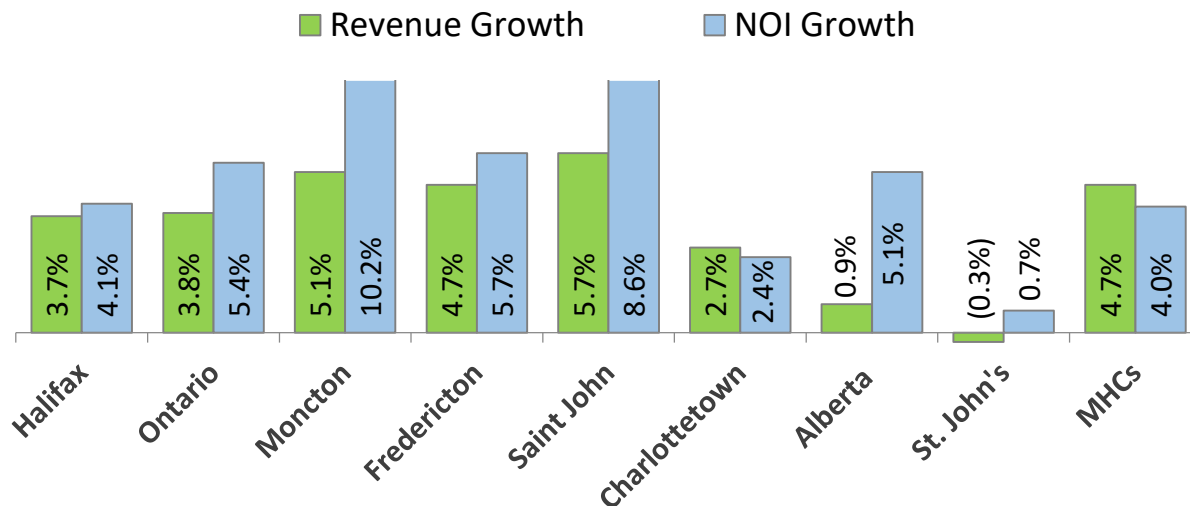


2018 & YTD-2019 Performance

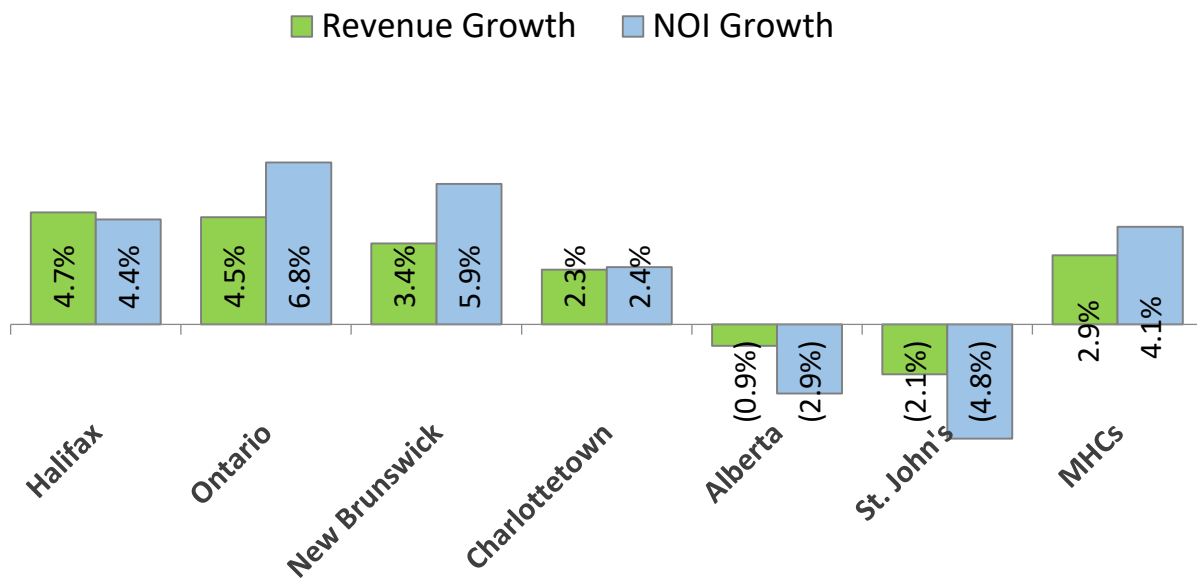
2018 Same Property Performance



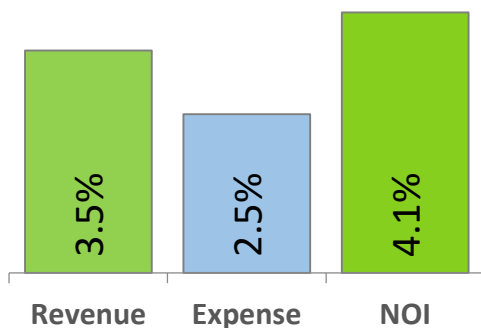
2018 Results by Market



YTD 2019 Results by Market



YTD 2019 Same Property Performance



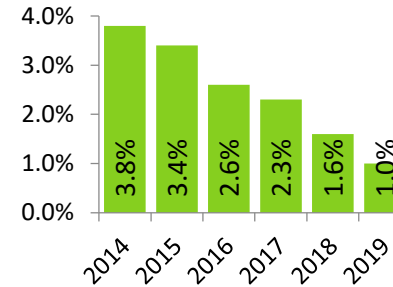
Core Market Update

The Halifax rental market is strong with occupancy at a historic high level of ~99% for 2019.

Current Market Conditions

- Strong demand as population growth from immigration, intraprovincial migration and demographics continues to outpace new supply.
- Aging population that are downsizing and switching to rental.
- Increasing supply with rising number of rental units under construction.
- Job growth and declining unemployment rates have been key to net migration of 3,300 in 2019.

Halifax Vacancy per CMHC

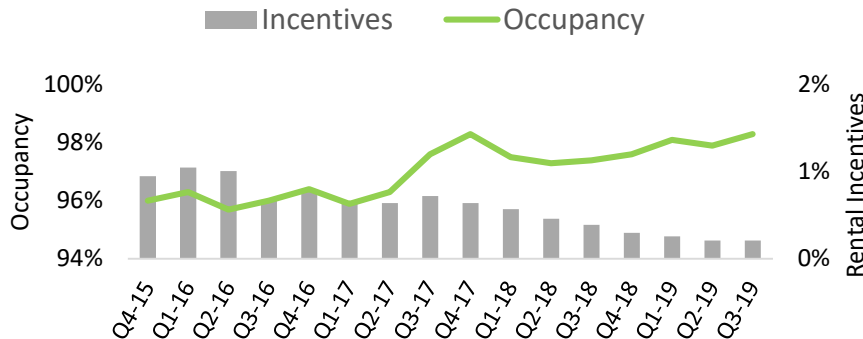


CMHC Market Stats¹

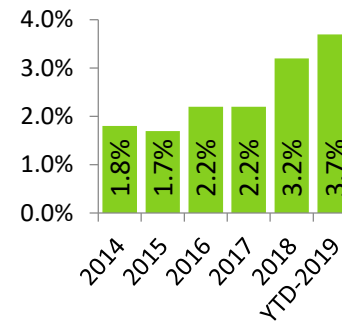
50,769 Rental Units
 1.0% Vacancy
 3.8% ↑ in Average Rent
 2,058 Starts in 2019
 1,674 Completions in 2018
 4,454 Under Construction
 \$1,113 Average Rent

Killam's Same Property Performance

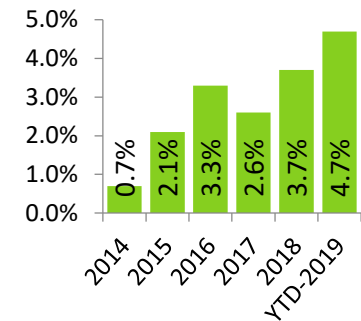
Halifax Same Property Occupancy



Halifax Same Property Rental Increases



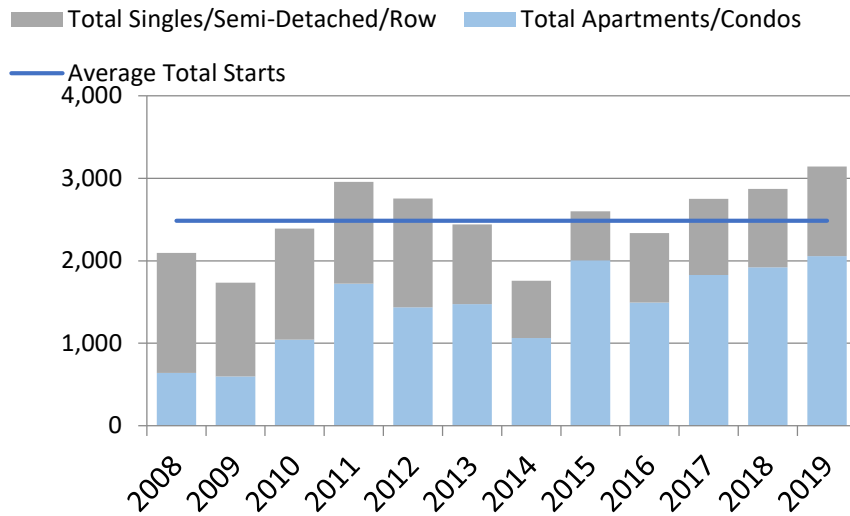
Halifax Same Property Revenue Growth



¹ CMHC 2019 Rental Market Report, Fall 2019 Housing Market Outlook and Housing Portal.

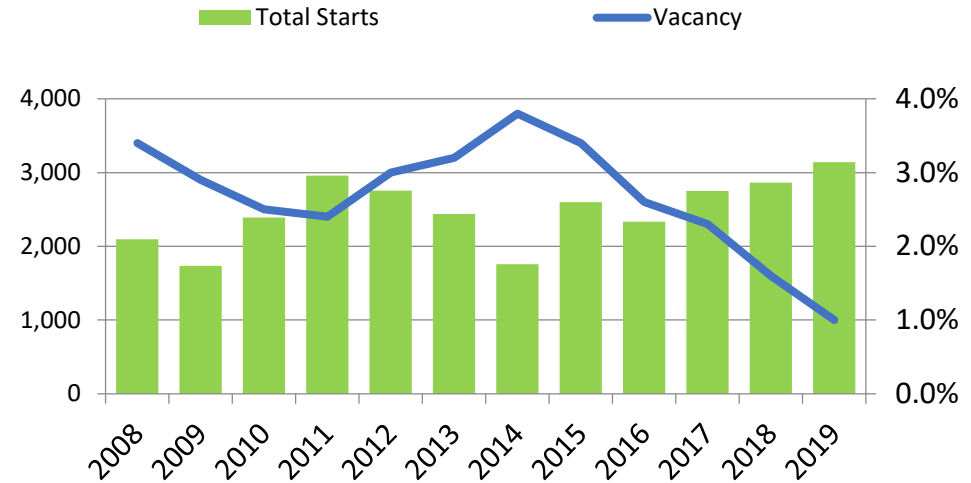
New supply has been absorbed by population growth from immigration, migration and demographics.

Halifax Housing Starts - Apt & Single



Total housing starts have averaged 2,500 dwellings over the past decade – however the portion of multi-family units has increased from 1/3 to 2/3 of starts.

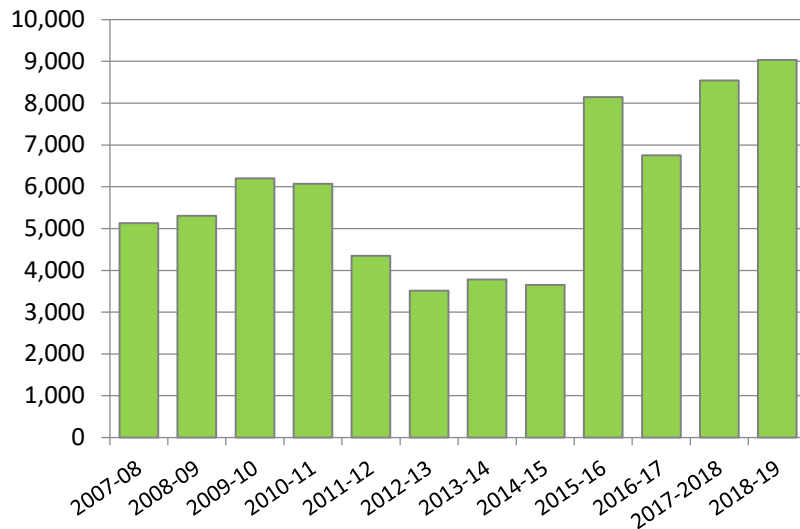
Halifax Housing Starts & Vacancy Trend



Vacancy at historic lows in Halifax as demand for housing outpaces new rental supply.

From January 2016 – June 2019, more than 18,000 new permanent residents have settled in Halifax.

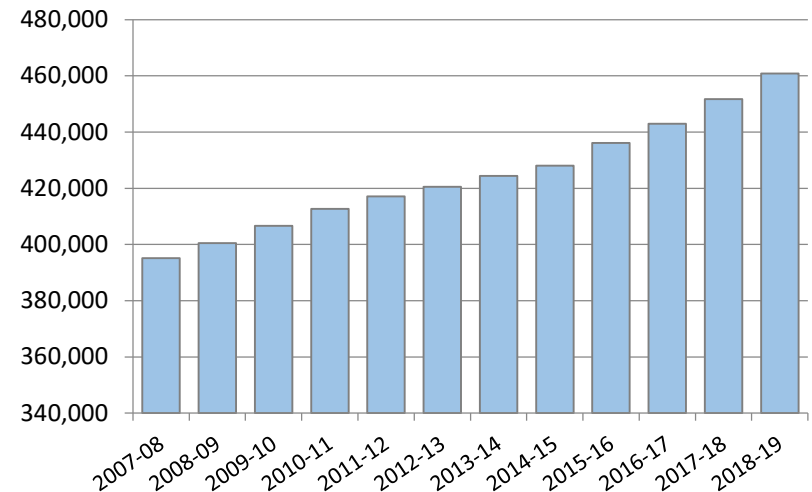
Halifax Population Growth
Annually from July 1 – June 30



Source: CMHC

Net interprovincial migration into Nova Scotia has been positive for the last four years, with 3,300 in 2019.

Halifax Total Population



Source: Statistics Canada

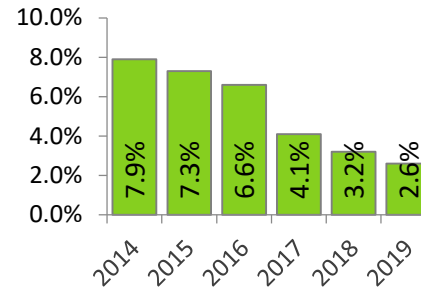
Statistics Canada's latest population estimates for cities in February 2019, estimates Halifax's population increased by 2.0% for the 12 months ended June 30, 2018.

Population growth coupled with limited construction has resulted in 18-year high occupancy of ~98% for 2018 & YTD-2019.

Current Market Conditions

- Population growth from increased interprovincial and international migration boosts rental demand, 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.

NB Vacancy per CMHC

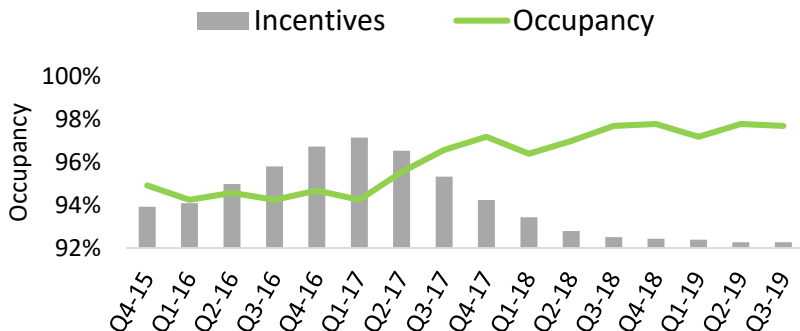


CMHC Rental Stats¹

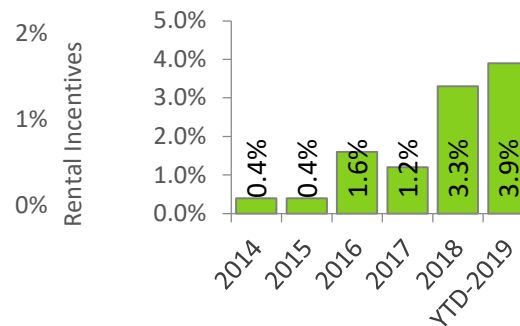
35,888 Rental Units
 2.6% Vacancy
 3.1% ↑ in Average Rent
 1,312 Starts in 2019
 522 Completions in 2019
 1,493 Under Construction
 \$812 Average Rent

Killam's Same Property Performance

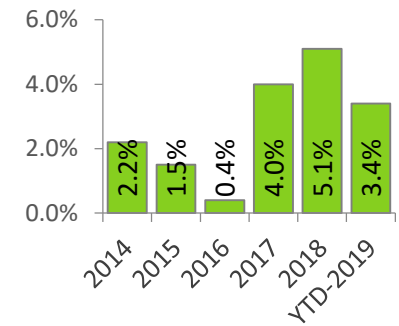
NB Same Property Occupancy



NB Same Property Rental Increases



NB Same Property Revenue Growth



¹ CMHC 2019 Rental Market Report and Fall 2019 Housing Market Outlook and Housing Portal.

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.

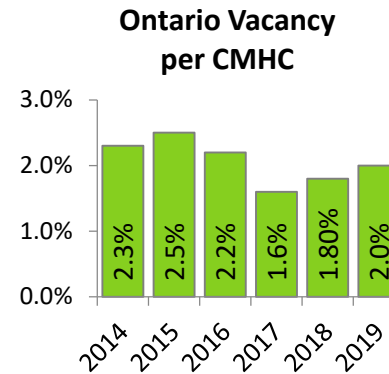
CMHC Rental Stats¹

Ottawa (6.2% of NOI)
1.8% vacancy in 2019
1.6% vacancy in 2018

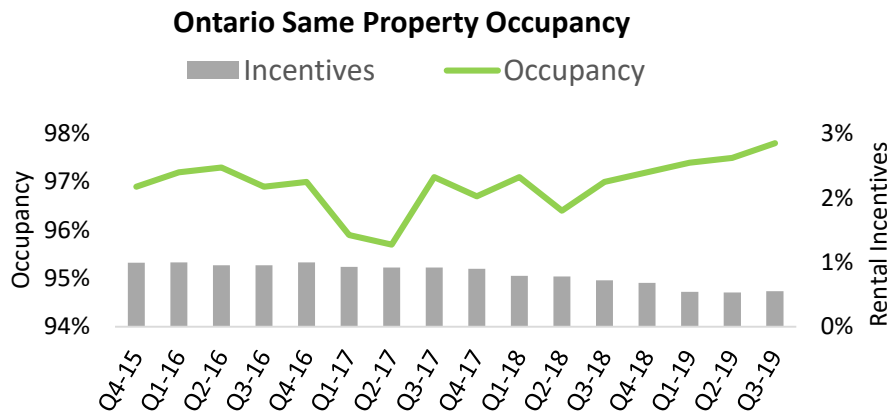
London (3.6% of NOI)
1.8% vacancy in 2019
2.3% vacancy in 2018

Cambridge (4.0% of NOI)
2.0% vacancy in 2019
3.0% vacancy in 2018

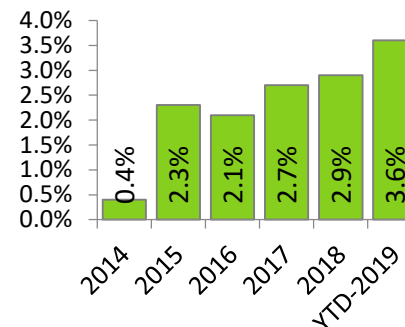
Toronto (2.8% of NOI)
1.5% vacancy in 2019
1.1% vacancy in 2018



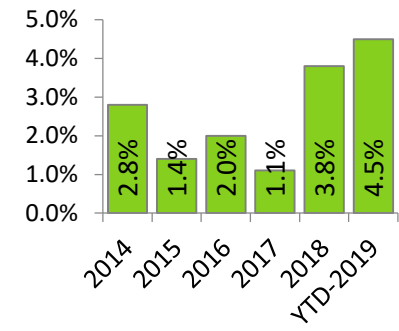
Killam's Same Property Performance



Ontario Same Property Rental Increases



Ontario Same Property Revenue Growth



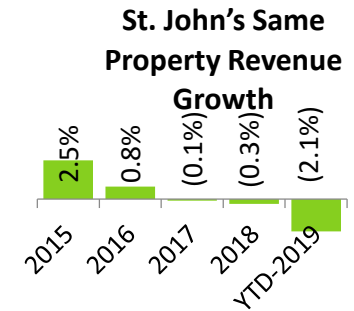
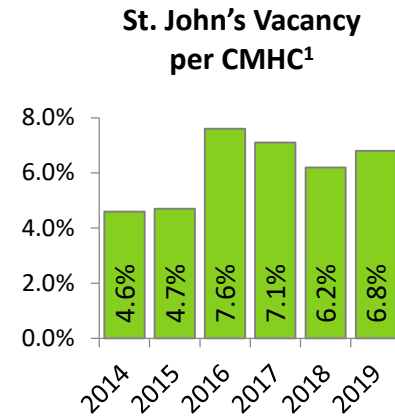
¹ CMHC 2019 Rental Market Report and Fall 2019 Housing Market Outlook and Housing Portal.

St. John's & Charlottetown, 5% & 6% of NOI

St. John's – Slow recovery of economic conditions as highly dependant on major oil investments.

Market Fundamentals

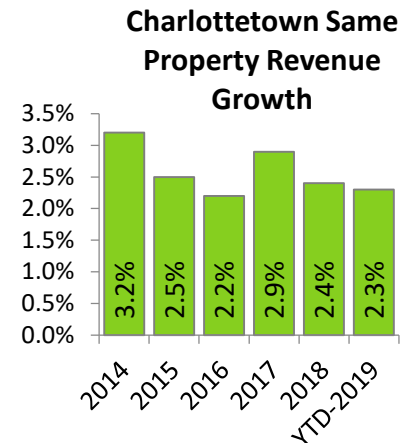
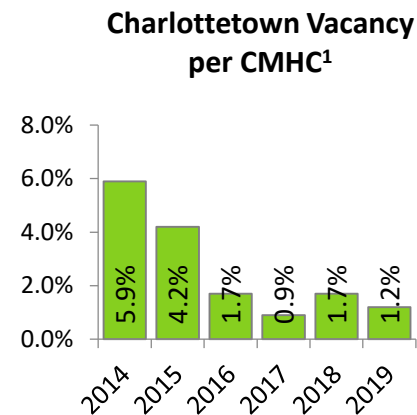
- Uptick in vacancy in 2019 after a couple years of decreasing vacancy rates.
- Rental rates have declined 1.5% in 2019 after growth of 1.7% in 2018.
- Depressed construction with rental completions well below the average of the last five years should drive improvements in vacancy going forward.



Charlottetown – Tight market as supply has not kept pace with population growth.

Market Fundamentals

- Per capita, amongst the highest rates of immigration in Canada leading to significant population growth.
- Sizable senior population downsizing to rental.
- Limited new construction with only 475 multi-family starts in 2019.
- Rent control limits rental rate growth.



¹ CMHC 2019 Rental Market Report and Fall 2019 Housing Market Outlook and Housing Portal.

ESG Initiatives



Our Commitment to Sustainability

As one of Canada's largest residential landlords, we take the responsibilities of corporate citizenship seriously. Our core values of Build Community and Do the Right Thing guide our commitment to Environmental, Social and Governance (ESG) programs and initiatives.

New Technology & Sustainability Initiatives

Invest in new technology and initiatives to increase sustainability, lowering our carbon footprint across the portfolio with a focus on reducing waste, energy and water usage.



Focus on Employee and Customer Satisfaction

Support and invest in our employees through training, development opportunities and access to a safe and positive workplace.

Provide outstanding customer service and sense of community at our properties.



ESG Practices

Establish robust governance policies and practices.

Review our annual ESG benchmark ratings and target areas of improvement each year.

Report annually on our ESG programs, new initiatives and performance against targets.



As Killam continues to grow, we challenge ourselves to ensure **our impact** on the environment is **minimized** and our buildings are **more sustainable and resilient** to climate change.

- Since 2015, installed 9,100 low-flow toilet
- Saving over 600 million litres of water
- All developments have sub-metered water.

Water Conservation



- Seven properties (and all developments) have on-site electric vehicle (EV) charging stations
- Developing in urbanized environments that support direct access to public transportation

Electric Vehicle Chargers



- Committed to geothermal heating and cooling in new developments
- Currently two properties and two developments under construction have geothermal

Geothermal



- Solar thermal heating systems at four properties today, saving ~2,800 GJ of natural gas annually.
- Killam installed solar photovoltaic (PV) power generating panels in 2019 at its current 78-unit Shorefront development in PEI.

Solar Heating



- Retrofitted 100% of its portfolio with LED lighting in the past 3 years.
- Over 5M kWh being saved annually.
- Resulted in improved lighting levels and reduced maintenance.

LED Lighting



- Programs underway to reduce heating costs, including:
 - Large-scale boiler-room overhauls
 - Air seal and added insulation

Efficient Heating



Contributing to Our Community

Community Involvement Committee monitors all Killam's community involvement and charitable efforts on an ongoing basis.

Below are Killam's key ongoing community initiatives:

Partner with non-profit housing agencies, along provincial government housing boards, providing 600+ subsidized units

Donate nine fully furnished units to hospitals across our portfolio to provide comfortable accommodation to families as they support loved ones through treatment.

Provide financial assistance to organizations that offer shelter,

Killam's Board of Trustees personally pledge \$100,000 annually

Provide assistance to residents who had fallen on hard times and need financial support.

Grant a full day of paid leave each year for employees to volunteer with a charity of their choice.



UNIVERSITY OF CALGARY

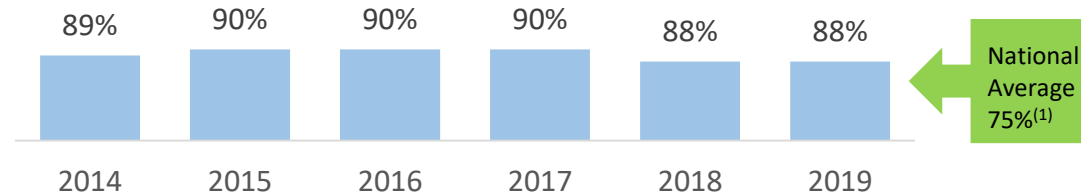


Our Customer Service

Killam provides outstanding customer service and fosters community at its properties.

Killam surveys residents to measure its success in meeting expectations and to identify areas for improvement.

Satisfaction with Killam as a Landlord

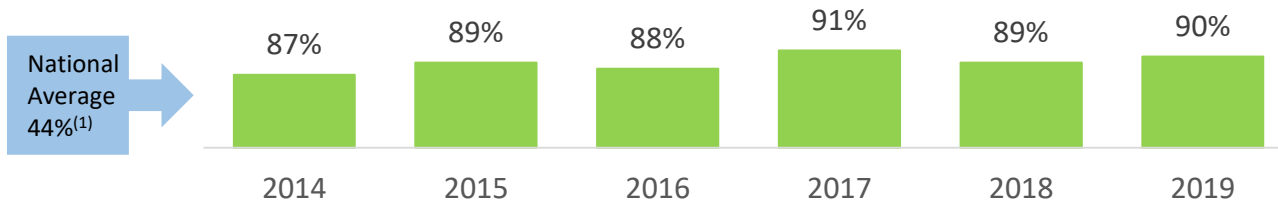


Creating a sense of **community** is a priority at Killam.

Examples of programs, events and amenities that contribute to resident engagement:

- Holiday gatherings, community barbecues, meet and greets, pizza parties and movie nights.
- Community gardens, playgrounds, fitness rooms, recreational facilities, as well as waterfront and pool upgrades at seasonal resorts.
- Killam’s online resident portal, along with a mobile app, and corporate website, including the online live chat option, has expanded communication options for existing and prospective residents.

Satisfaction with Condition of Apartment



(1) 2018 Avison Young National Multi-Residential Tenant Survey

Killam’s success is due to the hard work and dedication of our people.

Killam is an equal opportunity employer.

- Killam is committed to providing a **supportive** and **inclusive** workplace for all employees.
- Killam recognizes the benefits which arise from employee **diversity**, including a strengthened corporate culture, improved employee retention, access to different perspectives and ideas.
- Employees are encouraged to develop their **full potential** and use their unique talents, maximizing the efficiency of our team.

Employee Benefits Include:

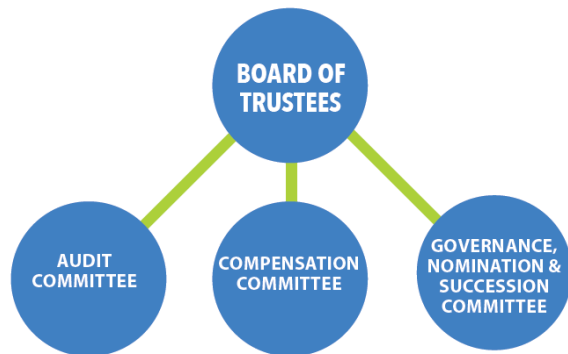
Flexible benefits plans	Employee & Family Assistance Program	Paid volunteer time	Paid time off (vacation & person)	Paid sick leave	Annual incentive plan
Employee Unit Purchase Plan	Parental leave pay	Referral bonuses	Short-term & long-term disability coverage	Scholarships	Tuition reimbursements

2019 Employee Survey Results



The commitment to sound governance practices is in the best interest of the Trust and its unitholders and contributes to effective and efficient decision making.

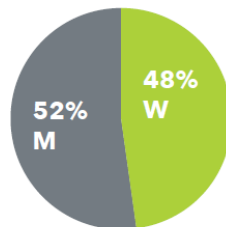
The Board carries out its responsibilities with the support of several Board committees.



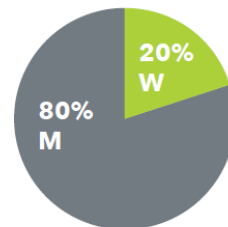
- Independence
- Code of Business Conduct & Ethics
- Diversity Policy
- Best Practice Compensation Policies
- Diversity Policy
- Whistleblower Policy

Diversity Metrics

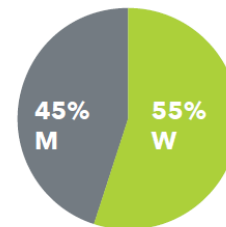
All Employees



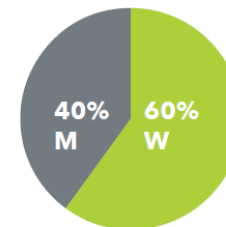
Board of Trustees



Executive



Senior Managers & Professionals



2019 Completed Developments

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



Green Features: Sub-metered water, geothermal heating and cooling, adjacent to Ottawa's Light Rail Transit.

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

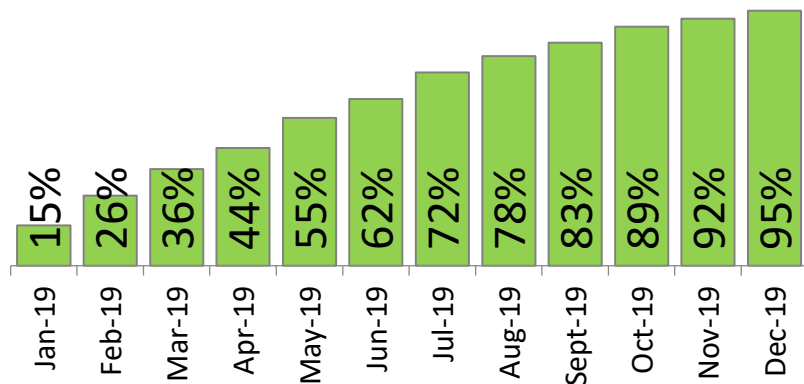
* Killam's 50% interest.

Phase I of Killam's 228-unit joint development project, Frontier, located in Ottawa, reached substantial completion in June 2019 and is currently 95% leased.

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



Frontier Leasing Activity



Phase II (Latitude) is actively underway with \$9.1 million invested to-date.



Repositioning Program

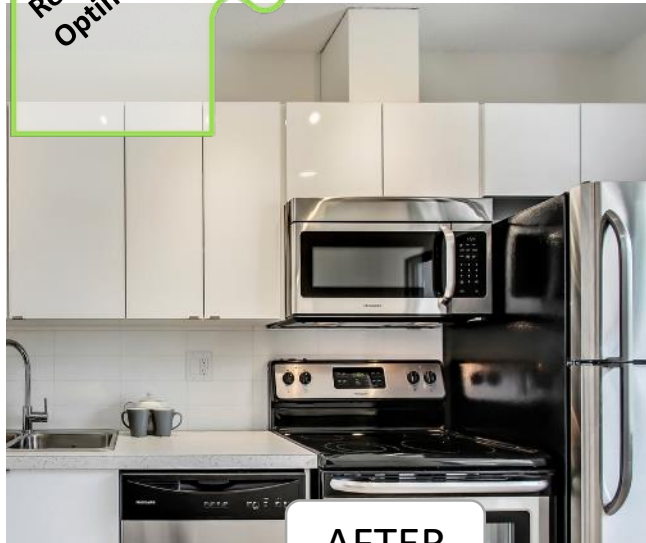
1. Increasing earnings from existing portfolio.

Revenue Optimization

Spruce Grove, Calgary (66 units) | Driving revenues through repositioning units

Suite Repositionings

- \$27k - Average investment per unit
- 22% - Average rent lift
- 14.1% - Average ROI
- \$390 Avg monthly increase



AFTER



BEFORE



1. Increasing earnings from existing portfolio.

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

Revenue
Optimization

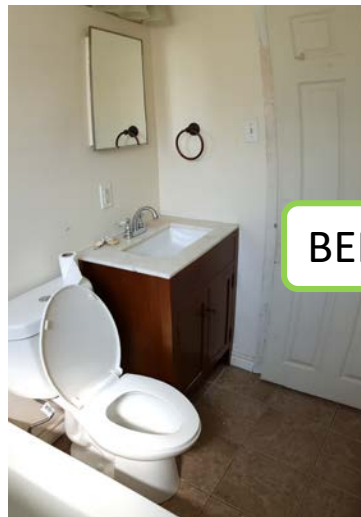


AFTER



Suite Repositionings

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



BEFORE



1. Increasing earnings from existing portfolio.

Revenue
Optimization

Spring Garden Terrace, Halifax (201 units) | Driving revenues through repositionings



AFTER



BEFORE

**Suite
Repositionings**

- \$110K invested in 6 units in 2018
- 20% Avg ROI
- 18% Avg rent lift
- \$230 Avg monthly increase



Common area upgrades

1. Increasing earnings from existing portfolio.

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

Revenue Optimization

AFTER



Common area upgrades



BEFORE



Brewery Market Redevelopment

Redevelopment to maximize potential

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



Redevelopment to maximize potential



Key Statistics

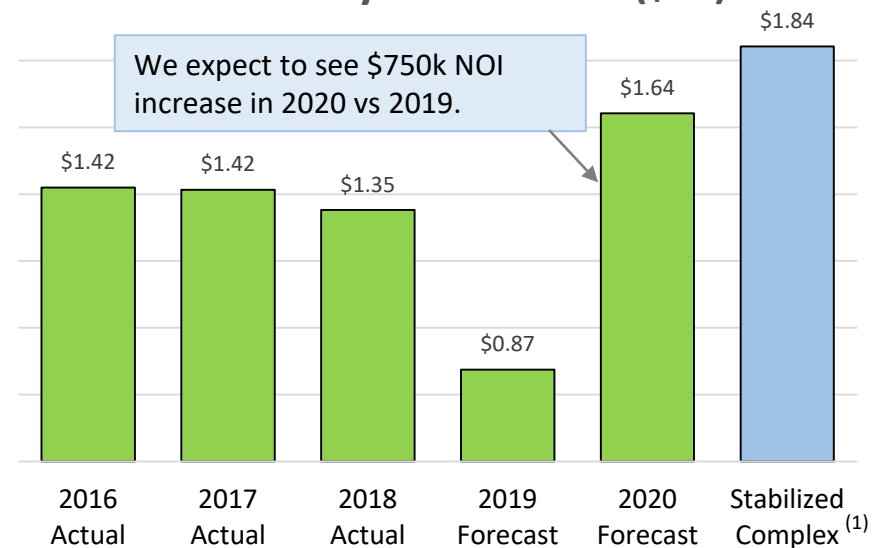
Total Property GLA (SF)	158,000
Current redevelopment (SF)	54,000
Released to-date (SF)	29,000
Current Occupancy (%)	66%
Committed Occupancy (%)	84%
Est. Stabilized NOI Increase	\$230k
Est. NOI Increase 2019 vs. 2020	\$750k



Redevelopment to maximize potential



Brewery Market NOI (\$M)



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

2019 Acquisitions

2019 Acquisitions | 11 Harold Doherty

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



2019 Acquisitions | Charlottetown Mall

Description:

- 32 acre commercial site with apartment development opportunity for ~300 units
- 352,448 sf grocery anchored enclosed retail complex

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
- Closed May 17, 2019

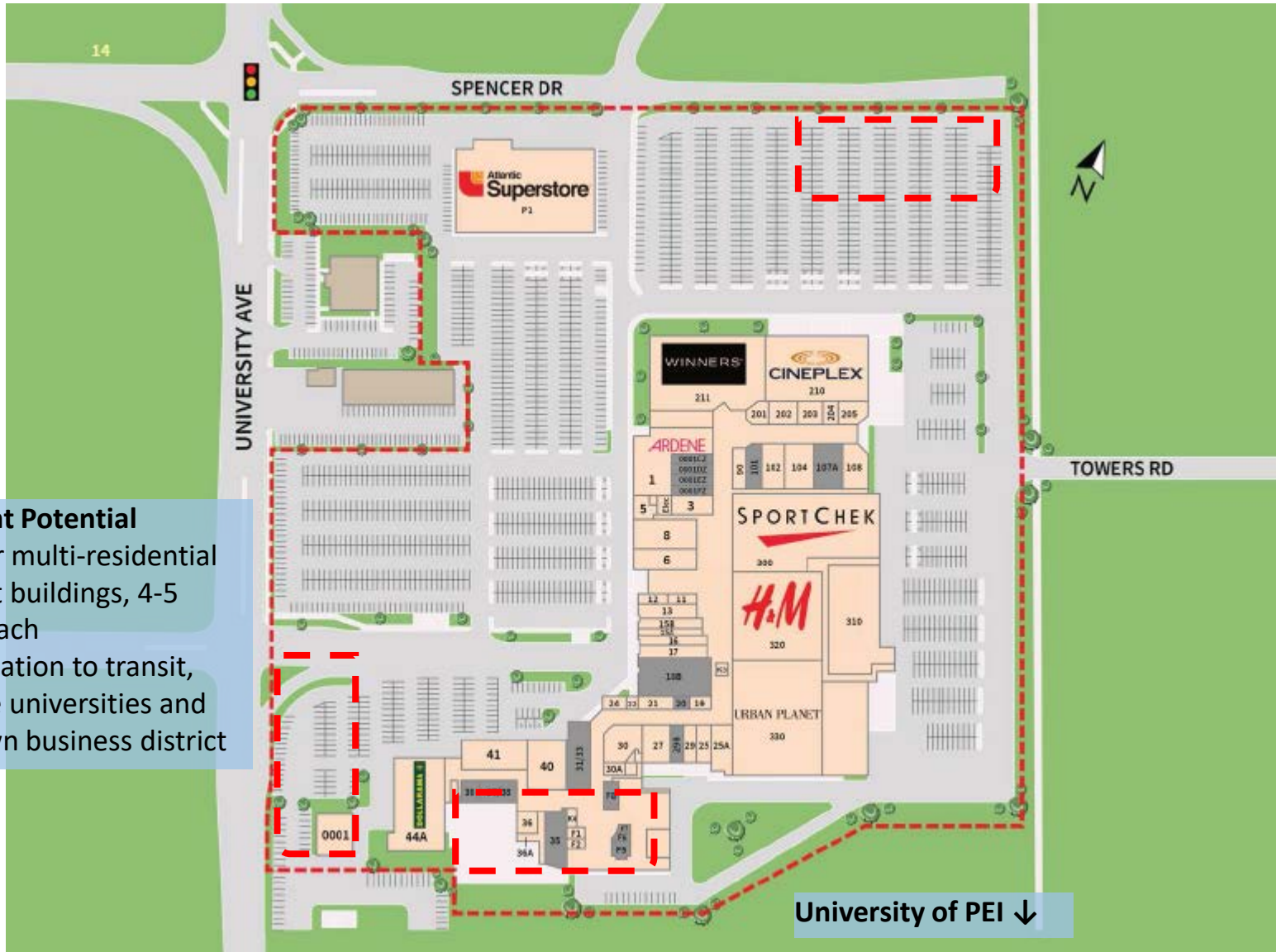
Location Details:

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

50%/50% Killam/RioCan Joint Venture



2019 Acquisitions Charlottetown Mall | Future Development



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

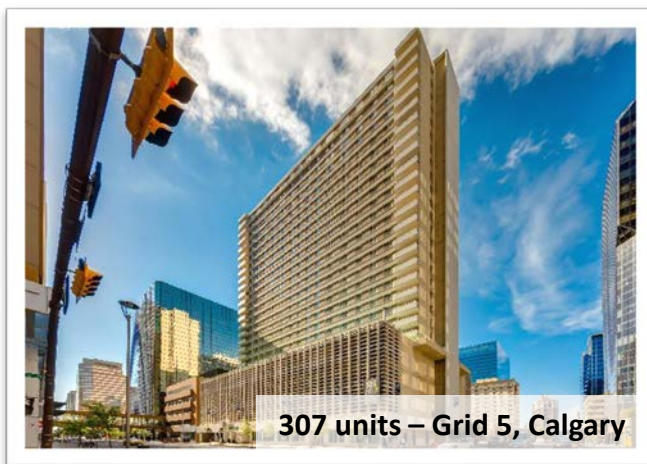
Closed: June 14, 2019

Location:

Calgary, AB

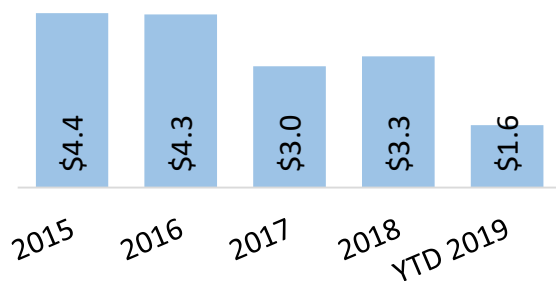
Mississauga, ON

Killam acquired its initial ownership interest in Silver Spear in 2012 and Grid 5 in 2014 and has been managing these properties since then. Killam acquired the remaining 50% interest in both assets in early June 2019 with a seamless absorption into our property management platform.

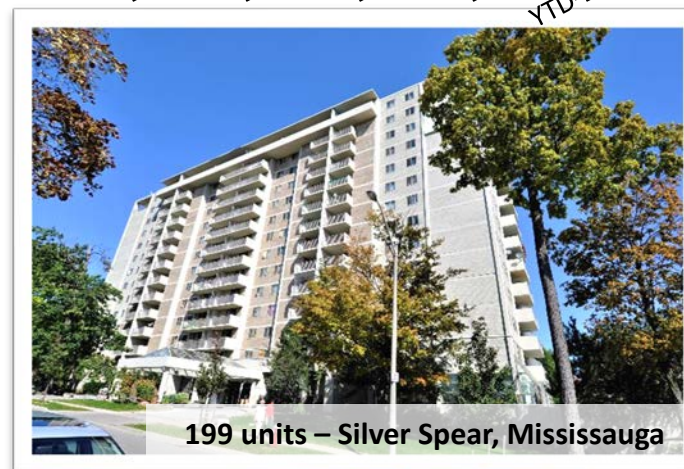
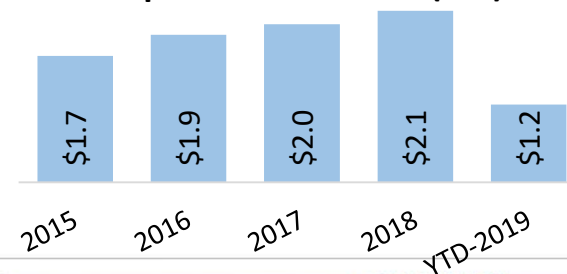


307 units – Grid 5, Calgary

Grid 5 - Annual NOI (\$M)



Silver Spear - Annual NOI (\$M)



199 units – Silver Spear, Mississauga

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

2019 Acquisitions | Dieppe Village

Description:

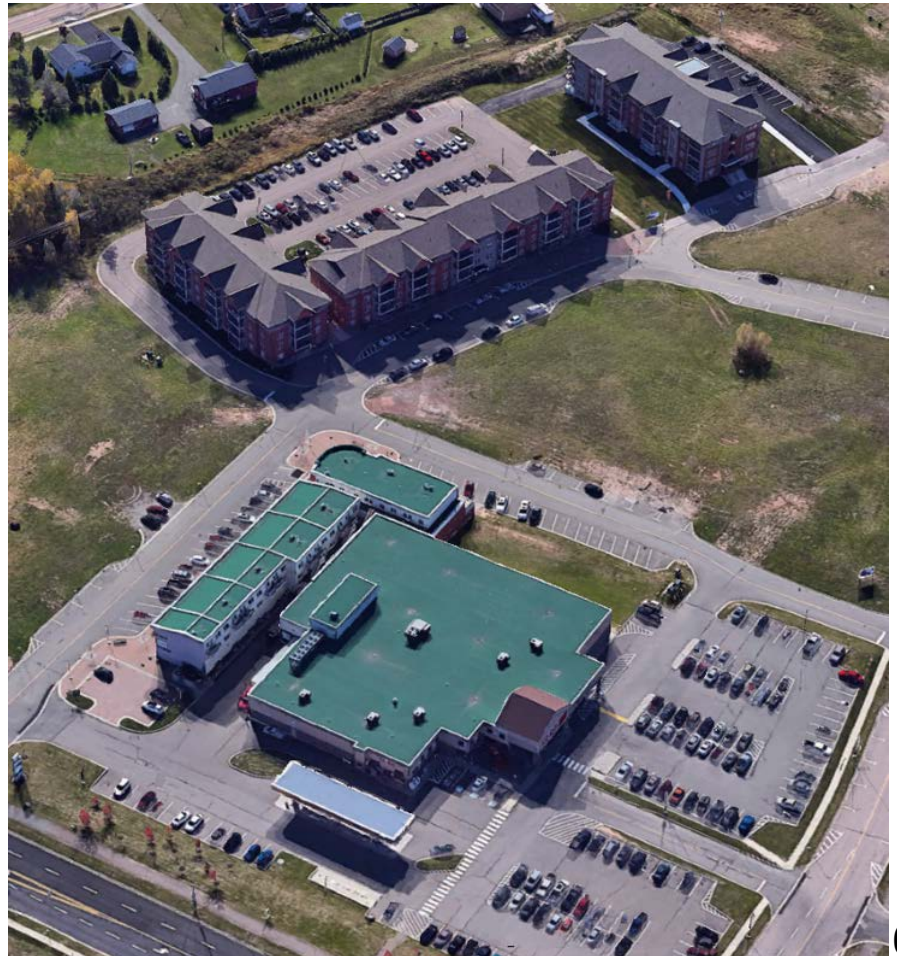
- 3 residential apartment buildings
- 1 mixed-use commercial & residential building
- 127 units total
- 1 Co-op grocery store with gas bar & 2.5 acres of vacant land
- 45,500 SF of commercial space total

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



2019 Acquisitions | Lian Street

Description:

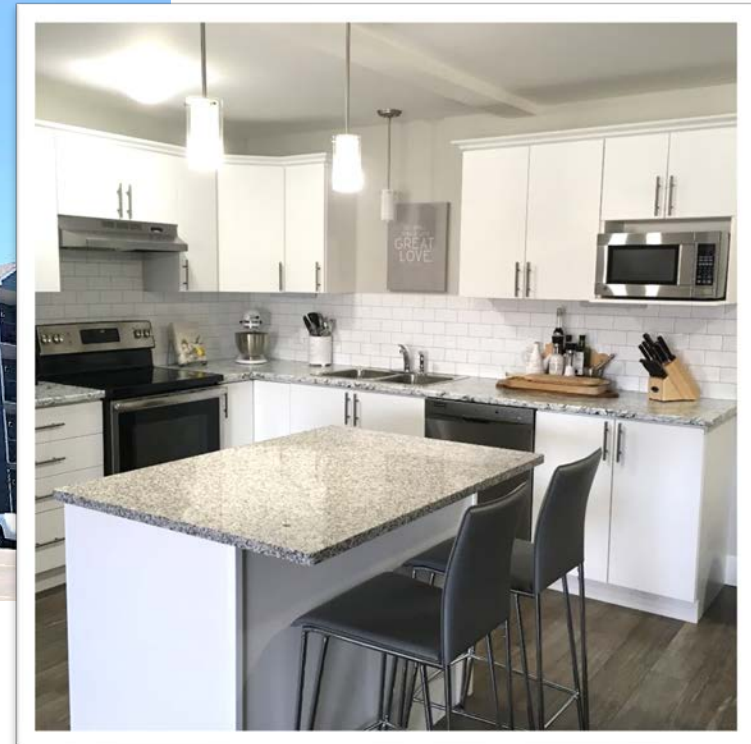
48 units; 48 underground parking spots
Four-storey apartment complex with large 2 & 3
bedroom units
Average rent – \$1,367/month (\$1.00/sf)

Acquisition Details:

\$9.25 million
5.40% capitalization rate
100% occupied
Closed: August 20, 2019

Location:

Fredericton, NB



2019 Acquisitions | 145 Canaan

Description:

48 units
Underground parking
Four-storey apartment with large 1 & 2 bdrm units
Average rent – \$1,229/month (\$1.06/sf)

Acquisition Details:

\$9.5 million
5.0% capitalization rate
100% occupied
Closed: Nov 22, 2019

Location:

Moncton, NB



2019 Acquisitions | The Link

Description:

105 units
Underground parking
Eight-storey apartment complex with 1 & 2 bdrm units
Average rent – \$1,627/month (\$1.97/sf)

Acquisition Details:

\$31.5 million (\$305,000/unit)
4.5% capitalization rate
88% leased
Closed: November 25, 2019

Location:

Edmonton, AB





Philip Fraser
President & Chief Executive Officer
902-453-4536
pfraser@killamreit.com

Robert Richardson, FCPA, FCA
Executive Vice President
902-442-9001
rrichardson@killamreit.com

Dale Noseworthy, CPA, CA, CFA
Chief Financial Officer
902-442-0388
dnoseworthy@killamreit.com

Nancy Alexander, CPA, CA
VP, Investor Relations & Sustainability
902-442-0374
nalexander@killamreit.com

Contact Information

