



MARWEST
APARTMENT REIT

Marwest Apartment Real Estate Investment Trust

Management's Discussion and Analysis

For the year ended December 31, 2024

(Expressed in Canadian Dollars)

Management's Discussion and Analysis For the year ended December 31, 2024 (Expressed in Canadian Dollars)

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Marwest Apartment Real Estate Investment Trust (the "Trust" or the "REIT") should be read in conjunction with the Trust's audited consolidated financial statements ("financial statements") and notes thereto for the years ended December 31, 2024 and 2023, which are available on the Trust's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca. The financial information contained in this MD&A derived from the financial statements has been prepared in accordance with IFRS Accounting Standards ("IFRS").

The Trust's board of trustees (the "Board") approved the content of this MD&A on March 20, 2025. Disclosure in this document is current to that date unless otherwise stated. This MD&A contains forward-looking statements, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by such forward-looking statements, including, but not limited to, the factors described in the Company's public filings available on SEDAR+ at www.sedarplus.ca. See "Forward-Looking Statements" in Appendix A. Additional information relating to the Trust also be found on the Trust's website at www.marwestreit.com.

Risk Factors

Risks include the risks identified in this MD&A as well as those identified in the REIT's latest annual information form available on the REIT's profile on SEDAR+. The forward-looking statements made in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking statements contained in this MD&A. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect. Except as specifically required by applicable Canadian securities law, the Trust undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. These forward-looking statements should not be relied upon as representing the Trust's views as of any date subsequent to the date of this MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Trust. This MD&A may contain certain statements of current estimates, expectations, forecasts and projections.

ABOUT MARWEST APARTMENT REAL ESTATE INVESTMENT TRUST

The Trust's objectives are to grow the value of trust units ("Trust Units") through capital investment strategies, active asset and property management, to provide holders of units ("Unitholders") with stable and predictable cash distributions that grow over the long term and to grow the Trust's asset base across strategic markets through intensification and acquisition programs.

Since inception the Trust has completed the acquisition of 516 new generation apartment units in Winnipeg, Manitoba, of which 363 units were acquired in 2021 and 153 units were acquired in 2022. The Marwest Group of Companies (the "Marwest Group"), which are companies under common control with Marwest Asset Management Inc. (the "Manager"), the asset manager of the REIT, have operated within Western Canada for over 50 years. Management believes Winnipeg is a relatively stable multi-family rental market with relatively low vacancy rates and is friendly to immigration. Manitoba, like many other provinces, has rent control, whereby rents are capped at a government specified percentage increase each year. The legislated increase for 2024 was three (3) percent and for 2025 is one point seven (1.7) percent. While all 516 rental units of the Trust are exempt from rent control as they were constructed within the last 20 years, the exempt period in Manitoba, 225 of the 516 units have restrictive financing agreements with the Canada Mortgage and Housing Corporation relating to affordable housing programs.

The development and construction of multi-family properties by the Marwest Group gives the Trust a potential opportunity to purchase newly developed real estate in locations of interest to the Trust.

OVERVIEW

The REIT is an unincorporated real estate investment trust governed by the amended and restated declaration of trust dated April 30, 2021 (the "Declaration of Trust") and by the laws of the Province of Manitoba. The REIT was formed on July 2, 2020 under the name "Marwest Apartment Real Estate Investment Trust" and converted to an open ended trust effective April 30, 2021. On April 30, 2021, the REIT completed its Qualifying Transaction and as such commenced commercial operations.

The authorized equity and voting securities of the REIT are comprised of Trust Units and special voting units ("Special Voting Units"). The Trust Units are listed and posted for trading on the TSX Venture Exchange under the symbol "MAR.UN".

**Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)**

The Trust's current portfolio consists of four multi-family residential rental properties located in Winnipeg, Manitoba, comprising an aggregate of 516 rental units consisting of (i) the 74 unit multi-family rental apartment property located at 160 Eaglewood Drive in Winnipeg, Manitoba (the "Brio Phase I Property") and the 74 unit multi-family rental apartment property located at 140 Eaglewood Drive in Winnipeg, Manitoba (the "Brio Phase II Property") (collectively, the "Brio Property"); (ii) the 103 unit multi-family rental apartment property known as "Kenwood Court" located at 333-337 Warde Avenue in Winnipeg, Manitoba (the "Kenwood Property"); (iii) the forty (40) unit multi-family rental apartment property located at 85 Fiorentino Street in Winnipeg, Manitoba (the "Element Phase I Property") and the seventy-two (72) unit multi-family rental apartment property located at 30 El Tassi Drive in Winnipeg, Manitoba (the "Element Phase II Property") (collectively, the "Element Property"); and (iv) the 153 unit multi-family rental apartment located at 2766 Main Street in Winnipeg, Manitoba (the "Prairie View Pointe Property").

MAR REIT LP (the "Partnership") beneficially owns the Prairie View Pointe Property directly and indirectly beneficially owns the Brio Property, the Kenwood Property and the Element Property through Marwest Apartments VII L.P. ("Brio LP"), Marwest Apartments I L.P. ("Kenwood LP") and Marwest (Element) Apartments L.P. ("Element LP"), respectively, each of which is a limited partnership formed under the laws of the Province of Manitoba. The Partnership also owns 100% of the shares of Marwest Apartments VII G.P. Ltd., Marwest Apartments I G.P. Ltd. and Marwest (Element) Apartments G.P. Inc., which are the general partners of Brio LP, Kenwood LP and Element LP, respectively. Legal title to each of the REIT's properties is held through separate bare trustee corporations owned by the Partnership (in the case of the Prairie View Pointe Property) and, in respect of the Brio Property, the Kenwood Property and the Element Property, owned by Brio LP, Kenwood LP and Element LP, respectively.

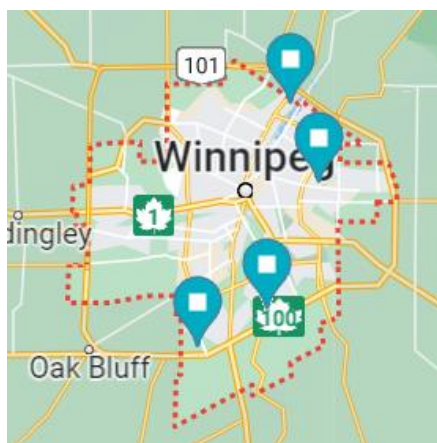
The Partnership is a limited partnership formed under the laws of the Province of Manitoba and governed by the limited partnership agreement dated April 19, 2021. The authorized equity and voting securities of the Partnership are comprised of Class A limited partnership units of the Partnership, all of which are owned by the REIT, and Class B limited partnership units of the Partnership, exchangeable on a one-for-one basis (subject to customary anti-dilution adjustments) for a Trust Unit of the REIT at the election of the holder ("Exchangeable Units"), which are held by certain former owners of securities or other property acquired by the Partnership.

The Trust's management team, the officers of the Manager, and the trustees of the Trust ("Trustees") have over 100 years of combined experience in multi-family residential real estate and collectively bring a strong combination of development, construction, management and financing experience, along with significant governance expertise. The REIT has an external asset and property management agreement with the Marwest Group and benefits from the expertise and strong infrastructure that is currently in place through the Marwest Group.

The Trust owns and operates a portfolio of income-producing multi-family rental properties located in Western Canada. The REIT is focused on becoming a leading Western Canadian multi-family REIT specializing in high quality, income-producing properties.

Current Portfolio

The Trust's current portfolio consists of newer generation investment properties that were constructed in 2006 (103 units), 2017-2021 (413 units). Newer generation portfolios typically require lower maintenance expenses and capital expenditures compared to older generation portfolios and, in Manitoba, new generation rentals are generally exempt from rent control. The Government of Manitoba enacted a rental freeze in 2023, whereby landlords were not permitted to increase rental rates outside of the rental guidelines, subject to certain exemptions. In 2024, the Government of Manitoba approved a rental increase of a maximum of three (3) percent (2025 is one point seven (1.7) percent). 56.40% of the rental units that the Trust has acquired since inception are exempt from the rental freeze due to the age of the buildings, and unrestricted financing agreements, and as such, the Trust will continue to adjust rental rates as the market allows. Based on current rent control rules, in 2026 the Kenwood property will no longer be exempt from rent control as the property will exceed the legislated 20 year exempt period after first occupancy. However, if rental rates for the Kenwood property are higher than the exempted amount, the units may be exempt from rent control. At January 1, 2025, exempt rentals were units renting higher than \$1,640 per month, the Kenwood Property would have 42 of 103 units exempt if it were subject to rent control at January 1, 2025.



*Location of Investment
Properties owned by the Trust
at December 31, 2024*

**Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)**

The Trust's investment properties include thoughtfully designed resident centred amenities, including clubhouses and on-site fitness facilities.

Brio Brownstones Clubhouse featured below



Prairie View Pointe Property games and movie room featured below



At December 31, 2024, the Trust's portfolio included 260 townhome units which differ from standard apartment units. These townhomes are characterized by private exterior entrances to each suite, eliminating all common hallways; Townhome residences have more of a "homeownership" feel. Modern finishings appeal to renters, with prime locations along transit routes, near shopping and schools. The rental suites owned by the Trust are pet-friendly, appealing to a broad section of renters within the market.



Future Acquisitions

The relationship with the Marwest Group affords the Trust the potential opportunity to purchase properties developed by the Marwest Group. The independent Trustees are responsible for the negotiation of the purchase price and other terms and conditions relating to the acquisition of any properties from the Marwest Group and/or any related parties or third parties with an interest in the asset.

The Trust will also seek third party acquisitions from other developers or owners of multi-family properties in target markets across

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)
Western Canada.

Distribution

Distributions are paid monthly to Unitholders of record at the close of business on the last day of a month, with payment made on or about the 15th day of the following month. Distributions must be approved by the Board of Trustees and are subject to change depending on the general economic outlook and financial performance of the Trust. The REIT has increased distributions twice since its inception, with each increase being approximately two (2) percent, since the first payment of the distributions in January 2022.

Date distributions paid	Monthly per Unit Distribution	Annualized per Unit Distribution	Increase over prior Distribution
January 15, 2022 – August 15, 2023	\$0.00125	\$0.015	
September 15, 2023 – June 15, 2024	\$0.001275	\$0.0153	2.00%
July 15, 2024 – Current	\$0.0013	\$0.0156	1.96%

The cash distribution policy of the Trust may be further amended, suspended or discontinued at any time, at the discretion of the Board of Trustees.

Business Strategy and Objectives

The objectives of the Trust are:

- (a) to grow Unitholder value through capital investment strategies and active asset and property management;
- (b) to provide Unitholders with stable and predictable cash distributions that grow over the long term; and
- (c) to grow the Trust's asset base across strategic markets through intensification and acquisition programs.

Management believes it can accomplish these objectives given future potential access to the capital markets and the relationship that the Trust has with the Marwest Group.

Declaration of Trust

The investment policies of the Trust are outlined in the Declaration of Trust, a copy of which is available on SEDAR+. Some of the principal investment guidelines and operating policies set out in the Declaration of Trust are set out below:

- The Trust will focus on acquiring, holding, developing, maintaining, improving, leasing and managing income-producing rental assets within Canada and other jurisdictions the Trustees may determine from time to time;
- The Trust may make its investments and conduct its activities directly or indirectly, through an investment by way of joint ventures, co-ownerships, partnerships (general or limited) and limited liability companies;
- The Trust may invest in mortgages and mortgage bonds and similar instruments where: (i) the real property which is security for such mortgages and similar instruments is income producing real property which otherwise meets the other investment guidelines of the Trust; or (ii) the aggregate book value of the investments of the Trust in mortgages, after giving effect to the proposed investment, will not exceed 15% of the greater of: (a) the value of the assets of the Trust and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with IFRS; and (b) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations ("**Gross Book Value**");
- Once the Gross Book Value reaches \$300,000,000, the Trust shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the Trust would be more than 75% of Gross Book Value or, if determined by the independent Trustees, in their sole and absolute discretion, more than 75% of the appraised value of the assets and properties of the Trust and its subsidiaries instead of Gross Book Value; and
- The Trust will follow prudent business practices when looking to acquire an investment property by way of obtaining appraisals, environmental reports, and sufficient insurance coverage.

At December 31, 2024, the Trust was in compliance with its investment guidelines and operating policies.

The foregoing is a general summary only and is qualified entirely by the terms of the Declaration of Trust.

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

Non-IFRS Measures

The Trust's financial statements are prepared in accordance with IFRS. The Trust's MD&A also contains certain non-IFRS measures (including non-IFRS ratios) commonly used by entities in the real estate industry as useful metrics for measuring operating results and financial performance. The non-IFRS measures used by the Trust as described below are not standardized measures under IFRS. Such non-IFRS measures disclosed by the Trust may not be comparable to similar financial measures disclosed by others. Readers are cautioned to not place undue reliance on such non-IFRS measures. Reconciliations of these non-IFRS measures to the most directly comparable financial measures calculated and presented in accordance with IFRS are included within the Financial Operations and Results section.

Net Operating Income ("NOI")

The Trust calculates net operating income as revenue less property operating expenses such as utilities, repairs and maintenance and realty taxes. Charges for interest or other expenses not specific to the day-to-day operations of the Trust's properties are not included. The Trust regards NOI as an important measure of the income generated by income-producing properties and is used by management in evaluating the performance of the Trust's properties. NOI is also a key input in determining the value of the Trust's properties.

Funds from Operations ("FFO")

The Trust calculates FFO substantially in accordance with the guidelines set out in the white paper titled "White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS" by the Real Property Association of Canada ("REALpac") as revised in January 2022. FFO is defined as IFRS consolidated net income (loss) adjusted for items such as unrealized changes in the fair value of the investment properties, effects of puttable instruments classified as financial liabilities and changes in fair value of financial instruments and derivatives. FFO should not be construed as an alternative to net income or cash flows provided by or used in operating activities determined in accordance with IFRS. The Trust regards FFO as a key measure of operating performance.

Adjusted Funds from Operations ("AFFO")

The Trust calculates AFFO substantially in accordance with the guidelines set out in the white paper titled "White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS" by REALpac as revised in January 2022. AFFO is defined as FFO adjusted for items such as maintenance capital expenditures and straight-line rental revenue differences. AFFO should not be construed as an alternative to net income or cash flows provided by or used in operating activities determined in accordance with IFRS. The Trust regards AFFO as a key measure of operating performance. The Trust also uses AFFO in assessing its capacity to make distributions.

The following other non-IFRS measures (including non-IFRS ratios) are defined as follows:

- "FFO per unit" is calculated as FFO divided by the weighted average number of Trust Units and Exchangeable Units of the Partnership outstanding over the period.
- "AFFO per unit" is calculated as AFFO divided by the weighted average number of Trust Units and Exchangeable Units of the Partnership outstanding over the period.
- "AFFO Payout Ratio" is the proportion of the total distributions on Trust Units and Exchangeable Units of the Partnership to AFFO per Unit.
- "Net Asset Value" is calculated as the sum of Unitholders' Equity and Exchangeable Units
- "Net Asset Value per Unit" or "NAV per Unit" is calculated as the sum of Unitholders' Equity and Exchangeable Units divided by the sum of Trust Units, Exchangeable Units and Deferred Units outstanding at the end of the period.
- "Debt-to-Gross Book Value ratio" is calculated by dividing total interest-bearing debt consisting of mortgages by total assets and is used as the REIT's primary measure of its leverage.
- "Debt Service Coverage ratio" is the ratio of NOI to total debt service consisting of interest expenses recorded as finance costs and principal payments on mortgages.
- "Liquidity ratio" is the ratio of current assets to current liabilities excluding Exchangeable Units of the Partnership.
- "Stabilized net operating income" is the estimated 12-month net operating income that a property could generate at full occupancy, less a vacancy rate and stable operating expenses.
- "Average occupancy rate" is defined as the ratio of occupied suites to the total suites in the portfolio for the period.
- "Same Property NOI" is defined as Net Operating Income from properties owned by the REIT throughout comparative periods, which removes the impact of situations that result in the comparative period to be less meaningful, such as acquisitions, or properties going through a lease-up period

NOI, FFO and AFFO are not intended to represent operating profits for the year, or from a property, nor should any of such measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Readers are cautioned not to place undue reliance on such non-IFRS financials measures.

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

FINANCIAL HIGHLIGHTS

The year-to-date highlights of the REIT's operations are summarized below and discussed in further detail in the remainder of the REIT's Q4 MD&A:

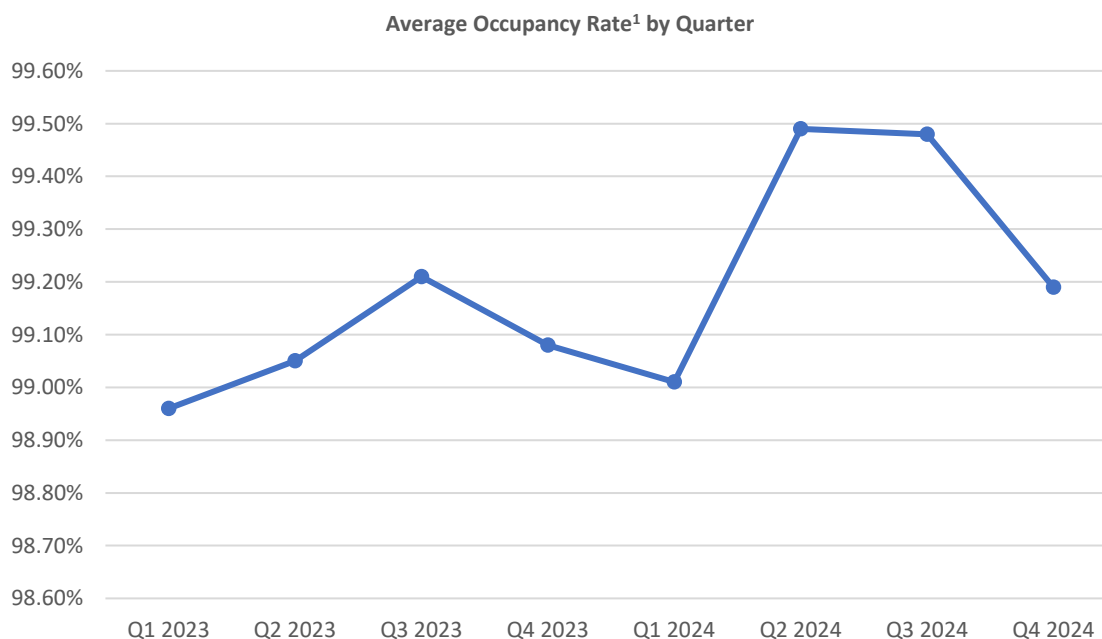
	YTD 2024	YTD 2023
Average Occupancy Rate ¹	99.29%	99.00%
NAV per Unit ¹ at December 31	\$2.37	\$1.90
AFFO per Unit ¹	\$0.1022	\$0.0936
AFFO Payout Ratio ¹	15.14%	16.17%
Increase in cash in the period	\$2,472,635	\$341,104
Liquidity Ratio ¹	152.13%	23.88%
Same Property NOI ¹	\$6,875,434	\$6,359,930

The REIT maintained a strong occupancy rate which is reflected in the increase in Same Property NOI¹ over the prior period. NAV per Unit has increased by \$0.47 per unit or 24.74 percent since December 31, 2023.

SUMMARY OF 2024 RESULTS AND OPERATIONS

Occupancy Rates

The REIT has reported an average 99.19% occupancy for the three months ended December 31, 2024 (99.08% for the three months ended December 31, 2023) and 99.29% for the year ended December 31, 2024 (99.00% for the year ended December 31, 2023). Management expects occupancy rates to remain strong for the next 12 months.



The average occupancy rate¹ for the trailing eight quarters was strong due to immigration, elevated interest rates causing home ownership to be less affordable, the slowing of construction development for multi-family and single-family developments due to increased interest rates and increases in construction costs.

Mortgage Interest Rates and Future Renewals

On January 1, 2024, the Element Phase I conventional mortgage was extended to mature on or before March 1, 2024 at an interest rate of 7.5%. On February 29, 2024, management completed the refinancing of the Element Phase I Property with a CMHC insured mortgage in the amount of \$8,387,700 with an amortization period of 40 years and a term of ten years at a rate of 4.30%.

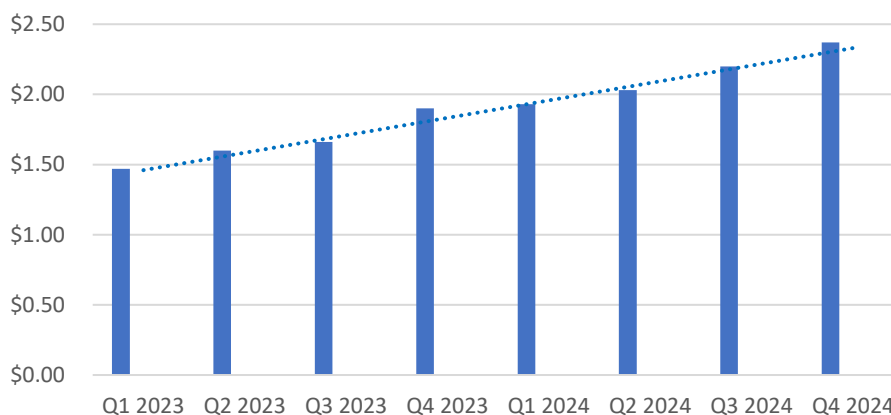
At December 31, 2024, six of the seven mortgages held within the portfolio were financed with CMHC insurance.

**Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)**

NAV per Trust Unit¹

The REIT reported a NAV per Unit¹ of \$2.37 at December 31, 2024 (December 31, 2023 - \$1.90). The overall increase in NAV¹ was due to market conditions throughout all properties and net operating income less finance costs and general and administrative expenses exceeding distributions.

NAV per Unit¹ by Quarter



Asset Management Fees and Trustee Compensation

For the three months and year ended December 31, 2024, the REIT incurred asset management fees of \$92,033 and \$357,832, respectively, inclusive of GST (December 31, 2023 - \$86,034 and \$336,283). An incentive fee was charged for the year ended December 31, 2024 of \$13,785 (December 31, 2023 - \$90,600, inclusive of GST).

Prior to January 1, 2024, Trustees elected to be remunerated approximately 50 percent of their pro-rated annual compensation in Deferred Units, in accordance with the Trust's equity incentive plan, with the remaining 50 percent and meeting fees paid in cash. Effective January 1, 2024, the Trustees elected that 100 percent of their annual compensation was to be paid in cash. See Note 10 of the consolidated financial statements for further details.

OUTLOOK

The 2025 CBRE Canada Real Estate Market Outlook expects the vacancy rate in Winnipeg to increase to 2 percent from 1.7 percent in 2024. Additionally the report shows the average 2-bedroom rent in Winnipeg is expected to increase by 4.84 percent to \$1,580 per month. The 2025 CMHC Housing Market Outlook expects lower immigration and an increase in first-time homebuyers to continue to reduce rental demand throughout 2025-2027. Such report indicates that rental supply will also increase as new rentals under construction are completed leading to higher vacancy rates and slowing rent increases in Canada. Management anticipates the demand for rental housing in Winnipeg to continue to remain stable at lower vacancy rates.

The Q1 2025 Interest Rate Outlook from Colliers Canada reports differing views on the trajectory of interest rates with several forecasters expecting borrowing costs to rise over the course of the year, despite further rate cuts from the Bank of Canada. As the next mortgage matures in 2027, the concern over interest rates is not a critical concern for Management at this time. With tariffs between Canada and the United States uncertain, concerns over the stability of jobs in the market and tenants able to continue paying their rent is more of a risk factor for 2025. Management intends on managing relationships with tenants to support payment terms when necessary due to the unfolding events between the two nations.

Management is focused on growing the portfolio and Unitholder value by increasing rental rates where the market allows, completing future acquisition opportunities that will increase the overall size and improve the performance of the Trust, as well as maintaining a manageable debt structure. The debt of the Trust, as of the date hereof, is all at fixed terms with an average remaining mortgage term of over five years and a weighted average interest rate of 3.09. As discussed under "Mortgage Interest Rates and Future Renewals", one mortgage was refinanced on February 29, 2024 for a 10 year term. With the next mortgage maturing in July 2027, management believes that the REIT is in a strong position due to the timeline of its maturing debt; as interest rates have the potential to continue to decrease providing the REIT potentially more favourable interest rates than currently being offered when its mortgages are refinanced.

¹ See Non-IFRS Measures

**Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)**

The REIT is subject to the laws and regulations governing the ownership and leasing of real property, employment standards, environmental and energy efficiency matters, taxes and other matters. It is possible that future changes in applicable Canadian federal, provincial, municipal or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the REIT (including with retroactive effect). Any changes in the laws to which the REIT will be subject in the jurisdictions in which it operates could materially affect the rights and title to the Properties of the REIT. It is not possible to predict whether there will be any further changes in the regulatory regime(s) to which the REIT is subject or the effect of any such change on the REIT's investments.

The real estate industry is highly capital intensive. The REIT requires access to capital to fund its growth strategy and any capital expenditures from time to time. There can be no assurance that the REIT will have access to sufficient capital or access to capital on terms favourable to the REIT for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Management believes the increase in the number of transactions in the multifamily market over the last 12 months could translate into opportunities for a future capital raise if the capital market allows. Management is continually reviewing opportunities to complete accretive acquisitions for the REIT Unitholders.

FINANCIAL OPERATIONS AND RESULTS

Valuation

The fair value of residential properties is typically determined using the direct capitalization approach. Stabilized net operating income¹ ("Stabilized NOI") for each property is capitalized at an appropriate capitalization rate and then a deduction is made for certain capital expenditures that each property may require. The Province of Manitoba had a school tax rebate of 50 percent in 2024, the rebate ended on December 31, 2024, and was not included in stabilized operating expenses for valuation purposes. Capitalization rates reflect the characteristics, location and market of each property. Fair value is determined based on external appraisals obtained and internal valuation models incorporating market data. At December 31, 2024, internal valuations were prepared on all properties with an external appraisal obtained on one property to support the internal valuation. The weighted-average capitalization rate used at December 31, 2024 was 5.00 percent (December 31, 2023 – 5.00 percent).

The Trust's investment properties are recorded at a fair value of \$142,000,000 at December 31, 2024 (December 31, 2023 - \$134,380,000), the Trust recorded a fair value gain of \$2,884,863 and \$7,226,479 for the three months and year ended December 31, 2024 (fair value gain of \$4,337,052 and \$7,510,095 respectively for the three months and year ended December 31, 2023). The fair value gain was attributable to improved market conditions at primarily three of the properties, such as increases in estimated 12-month stabilized net operating income¹ due to market rent increases in properties where allowable.

Performance Measures

The following outlines the portfolio metrics:

<i>Operations</i>	Three months ended		Year ended	
	December 31		December 31	
	2024	2023	2024	2023
Number of properties	4	4	4	4
Total multi-family units	516	516	516	516
Total rentable square feet	463,812	463,812	463,812	463,812
Average monthly rent per suite	\$ 1,632	\$ 1,557	\$ 1,597	\$ 1,540
Average occupancy rate ¹	99.19%	99.08%	99.29%	99.00%
Rent collection	99.95%	99.91%	99.74%	99.78%

Average monthly rent per suite increased in 2024 over 2023 by 3.70 percent was due to market conditions permitting rental increases throughout the portfolio.

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

<i>Financial Measures</i>	Three months ended		Year ended	
	December 31		December 31	
	2024	2023	2024	2023
Revenue	\$ 2,631,643	\$ 2,521,270	\$ 10,346,107	\$ 9,958,861
NOI ¹	1,716,765	1,619,429	6,875,434	6,359,930
NOI Margin ¹	65.24%	64.23%	66.45%	63.86%
FFO ¹				
Net income and comprehensive income	4,814,188	979,998	12,155,392	8,701,278
Distributions on Exchangeable Units	40,730	41,468	164,929	163,968
Fair value gain on properties	(2,884,863)	(4,337,052)	(7,226,479)	(7,510,095)
Fair value loss (gain) on unit-based compensation	(22,239)	49,067	(42,871)	(5,944)
Fair value loss (gain) on Exchangeable Units	(1,357,667)	3,686,033	(2,664,585)	542,063
FFO ¹	590,149	419,514	2,386,386	1,891,270
Weighted average number of Units	19,498,838	19,498,838	19,498,838	19,501,276
FFO/unit ¹	\$ 0.0303	\$ 0.0215	\$ 0.1224	\$ 0.0970
AFFO¹				
FFO ¹	\$ 590,149	\$ 419,514	\$ 2,386,386	\$ 1,891,270
Capital expenditures ²	(12,013)	(10,560)	(377,718)	(52,729)
Leasing costs	(3,124)	(2,388)	(15,803)	(14,146)
AFFO ¹	575,012	406,566	1,992,865	1,824,395
Weighted average number of Units	19,498,838	19,498,838	19,498,838	19,501,276
AFFO/unit ¹	\$ 0.0295	\$ 0.0209	\$ 0.1022	\$ 0.0936
AFFO payout ratio¹	13.23%	18.34%	15.14%	16.17%

For the years ended December 31, 2024 and 2023 the Trust reported \$0.1224 and \$0.0970 of FFO/unit¹ respectively. This increase in FFO/unit¹ is due to investment properties generating higher NOI¹ year over year. The Trust reported FFO/unit¹ of \$0.0303 the three months ended December 31, 2024 compared to \$0.0215 the three months ended December 31, 2023, this increase is due to improved performance in Q4 2024 over Q4 2023 at the investment properties due to improved market conditions.

At December 31, 2024, NAV¹ was \$46,689,470. The increase in NAV¹ was primarily due to improved market conditions throughout all properties and net operating income less finance costs and general and administrative expenses exceeding distributions.

NAV¹	At December 31, 2024	At December 31, 2023
Unitholders' equity	\$39,901,132	\$27,578,331
Exchangeable Units	6,788,338	9,757,146
NAV¹	46,689,470	37,335,477
Trust Units	9,055,242	8,657,564
Exchangeable Units	10,443,596	10,841,274
Deferred Units	169,608	167,265
Total Units outstanding	19,668,446	19,666,103
NAV per unit¹	\$2.37	\$1.90

¹ See Non-IFRS Measures

² Capital expenditures include upgrades to suites upon turnover and roof replacement at the Kenwood property in 2024

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

<i>Leverage</i>	At December 31, 2024	At December 31, 2023
Debt-to-Gross Book Value ratio¹:		
Total interest-bearing debt	\$ 101,678,601	\$ 100,767,840
Total assets on balance sheet	150,093,432	139,770,463
Debt-to-Gross Book Value ratio¹	67.74%	72.10%
Debt Service Coverage ratio¹:		
Net Operating Income ¹ for the year	\$ 6,875,434	\$ 6,359,930
Mortgage payments for the year	4,959,081	4,899,297
Debt Service Coverage ratio¹	1.39	1.30
Weighted average term to maturity on fixed rate debt	63.56 months	67.3 months
Weighted average interest rate on fixed debt	3.09%	3.01%

Exchangeable Units are not indebtedness for the purposes of Debt-to-Gross Book Value ratio¹ and therefore are not included in the determination of Debt-to-Gross Book Value ratio¹.

Total assets at December 31, 2024 are \$150,093,432, the increase from December 31, 2023 is due to the increase in market value of the investment properties, the upward financing of the Element Phase I mortgage resulting in additional cash on hand, and positive cash flow from operations generated during the period. Total interest-bearing debt includes mortgages payable of \$101,678,601. During the year ended December 31, 2024, mortgages had an overall increase of \$910,761 from the refinancing of the Element Phase I Property which was offset by principal payments, amortization of mark-to-market adjustments, and financing costs.

Review of Financial Performance

The following tables highlight selected information for the Trust's portfolio for the three months and year ended December 31, 2024 and 2023:

<i>Summary of Statement of Net Income</i>	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Revenue from investment properties	\$ 2,631,643	\$ 2,521,270	\$ 10,346,107	\$ 9,958,861
Property operating expenses	(681,190)	(675,977)	(2,533,484)	(2,695,493)
Realty taxes	(233,688)	(225,864)	(937,189)	(903,438)
Net Operating Income¹	\$ 1,716,765	\$ 1,619,429	\$ 6,875,434	\$ 6,359,930
NOI Margin ¹	65.24%	64.23%	66.45%	63.86%
General and administrative	(221,420)	(308,952)	(842,226)	(887,564)
Interest income	43,238	24,624	171,165	83,894
Finance costs	(989,164)	957,055	(3,982,916)	(3,828,958)
Fair value gain (loss) on:				
Investment properties	2,884,863	4,337,052	7,226,479	7,510,095
Unit-based compensation	22,239	(49,067)	42,871	5,944
Exchangeable Units	1,357,667	(3,686,033)	2,664,585	(542,063)
Net income and comprehensive income	\$ 4,814,188	\$ 2,894,108	\$ 12,155,392	\$ 8,701,278

Net operating income¹

For the three months and year ended December 31, 2024 the Trust earned NOI¹ of \$1,716,765 and \$6,875,434 respectively (three months and year ended December 31, 2023 – NOI¹ of \$1,619,429 and \$6,359,930).

Revenue from investment properties consists of rental revenue from residential lease agreements, parking revenue and other property revenue.

Management's Discussion and Analysis For the year ended December 31, 2024 (Expressed in Canadian Dollars)

General and administrative expenses

General and administrative expenses relate to the administration of the Trust, including: legal fees, audit fees, asset management fees, incentive fees, Trustee compensation, other public company costs. General and administrative expenses decreased for the year ended December 31, 2024 compared to the same period ended 2023 due to decreased director insurance premiums of \$15,000, a lower incentive fee earned in 2024 compared to 2023 of \$76,815, and were offset by increased directors' fees of \$13,000 and accounting fees of \$27,000.

Finance costs

Finance costs increased due to the refinancing of the Element Phase I mortgage, contributing to higher mortgage interest, financing, and CMHC. Distributions increased by approximately 2 percent in June 2024 accounting for the year over year increase in distributions on Exchangeable Units.

Summary of Finance costs	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Interest on mortgages payable	\$ 796,463	\$ 772,857	\$ 3,211,656	\$ 3,097,261
Mortgage and financing charges	-	7,507	3,515	27,367
Amortization of financing charges	18,666	15,304	71,039	60,681
Amortization of CMHC fees	25,468	23,295	100,423	93,180
Amortization of mark-to-market adjustments	107,837	96,624	431,354	386,501
Distribution on Exchangeable Units	40,730	41,468	164,929	163,968
Total	\$ 989,164	\$ 957,055	\$ 3,982,916	\$ 3,828,958

Fair value loss on Exchangeable Units

The Exchangeable Units are issued by the Partnership. The Exchangeable Units are economically equivalent to Trust Units, in that a holder is entitled to receive cash distributions from the Partnership equal to the cash distributions paid on Trust Units and are exchangeable into Trust Units at the holder's option on a one-for-one basis (subject to customary anti-dilution adjustments). The Exchangeable Units are classified as financial liabilities of the Trust and measured at fair value with any changes in fair value recorded in net income. The fair value gain or loss on the Exchangeable Units is measured every period by reference to the closing trading price of the Trust Units. An increase in the Trust Unit closing price over the period results in a fair value loss, whereas a decrease in the Trust Unit closing price results in a fair value gain.

During the year ended December 31, 2024, the market price of the Trust Units decreased from a market price of \$0.90 per Trust Unit on December 31, 2023 market price to \$0.65 per Trust Unit at December 31, 2024. The decrease in market value for the period resulted in a fair value gain on the Exchangeable Units of \$2,664,585.

Fair value gain on unit-based compensation liability

The Trust has issued Deferred Units to its Trustees. The liability is remeasured at each reporting date based on the closing Trust Unit price with changes in value recorded in net income.

During the three months and year ended December 31, 2024, the Trust experienced a fair value gain of \$22,239 and \$42,871 from changes in the Trust Unit price for the Deferred Units outstanding at December 31, 2023 and the Deferred Units issued in the period. For the year ended December 31, 2024, the Unit price decreased from \$0.90 at December 31, 2023 to \$0.65 at December 31, 2024.

Assessment of Financial Position

Investment Properties

The following table summarizes the changes in investment properties for the three months and year ended December 31, 2024 and 2023:

Summary of Changes in Investment Properties	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Opening balance	\$ 139,100,000	\$ 130,030,000	\$ 134,380,000	\$ 126,803,030
Additions:				
Capital expenditures ²	12,013	10,560	377,718	52,729
Direct leasing costs	3,124	2,388	15,803	14,146
Fair value gain	2,884,863	4,337,052	7,226,479	7,510,095
Closing balance	\$ 142,000,000	\$ 134,380,000	\$ 142,000,000	\$ 134,380,000

¹ See Non-IFRS Measures

² Capital expenditures include upgrades to suites upon turnover and roof replacement at the Kenwood property in 2024

**Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)**

Valuation

Under the direct capitalization approach the estimated 12 month stabilized net operating income¹ is utilized on the individual properties and capitalized at a rate that reflects the characteristics, location and market of the investment properties, to determine fair value. The weighted-average capitalization rate for the properties was 5.00 percent at December 31, 2024 and 5.00 percent at December 31, 2023.

Exchangeable Units

The holders of Exchangeable Units are entitled to receive cash distributions from the Partnership equivalent to the cash distributions that the Trust pays to the holders of Trust Units and are exchangeable into Trust Units at the holder's option on a one-for-one basis (subject to customary anti-dilution adjustments). One Special Voting Unit in the Trust is issued to the holder of Exchangeable Units for each Exchangeable Unit held. The limited IAS 32 exception for presentation as equity does not extend to Exchangeable Units. As a result, the Exchangeable Units are classified as financial liabilities.

During each of Q2 2024 and Q4 2024 there were 198,839 Exchangeable Units exchanged for Trust Units. Accordingly, 397,678 Special Voting Units were cancelled upon the exchange for Trust Units.

As at December 31, 2024 there were 10,443,596 Exchangeable Units and 10,497,309 Special Voting Units outstanding. The outstanding Special Voting Units include:

- Special Voting Units accompanying Deferred Units issued on or before March 31, 2022
- Special Voting Units accompanying Exchangeable Units of the Partnership issued on or before March 31, 2024

During the three months and year ended December 31, 2024, distributions to holders of Exchangeable Units of \$40,730 and \$164,929 were declared, respectively, based on approved monthly distributions of \$0.001275 per Trust Unit, increasing to \$0.0013 per Trust Unit to Unitholders of record on June 30, 2024. Previously, distributions increased to \$0.001275 per Trust Unit, from \$0.00125 per Trust Unit, effective to Unitholders of record on August 31, 2023.

Mortgages Payable

The Trust's mortgages are at fixed interest rates that are secured by the investment properties. The mortgages bear interest at a weighted average contractual interest rate of 3.09 percent and mature between July 2027 and March 2034, resulting in a weighted average maturity of 63.56 months. On February 29, 2024, management completed the refinancing of the Element Phase I Property with a CMHC insured mortgage of \$8,387,700 with a 40 year amortization period, term of 10 years and a fixed interest rate of 4.30%.

Trust Units

The Declaration of Trust authorizes the issue of an unlimited number of Trust Units. As at December 31, 2024, there were 9,055,242 Trust Units outstanding with a carrying value of \$6,961,933. On March 31, 2022, the Trust commenced a Normal Course Issuer Bid ("NCIB") which allows the Trust to purchase up to 787,956 of the Trust Units for cancellation. The NCIB was in effect until March 30, 2023. During the year ended December 31, 2023, nil and 10,000 Trust units were purchased and cancelled, respectively.

Distributions

Distributions are paid monthly to Unitholders of record at the close of business on the last day of a month on or about the 15th day of the following month. Distributions must be approved by the Board of Trustees and are subject to change depending on the general economic outlook and financial performance of the Trust. During the three months and year ended December 31, 2024, aggregate cash distributions to Unitholders of \$35,315 and \$136,814, respectively, were declared. Monthly cash distributions of \$0.001275 per Trust Unit were paid in each month up to and including June 15, 2024 (to Unitholders of record as at the end of the prior month) and monthly cash distributions were increased to \$0.0013 per Trust Unit payable in each month commencing July 15, 2024 (to Unitholders of record as at the end of the prior month). Distributions previously increased from \$0.00125 to \$0.001275 per Trust Unit to Unitholders on August 31, 2023.

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

Liquidity, Capital Resources and Contractual Commitments

The Trust's capital structure at December 31, 2024 and 2023 is set out in the table below:

	December 31, 2024	December 31, 2023
Exchangeable Units	\$ 6,788,338	\$ 9,757,146
Unit based compensation liability	110,245	150,539
Mortgages	101,678,601	100,767,840
Unitholders' equity	39,901,132	27,578,331
Total	\$ 148,478,316	\$ 138,253,856

The objective of the REIT's capital strategy is to arrange capital at the lowest possible cost while balancing mortgage maturities and having sufficient liquidity to fund ongoing operations of the REIT and pay distributions. 100 percent of the REIT's debt is at fixed interest rates.

The REIT uses a significant amount of debt financing in its capital structure. Pursuant to the Declaration of Trust, additional indebtedness may not be incurred if overall indebtedness (excluding convertible debt) would exceed more than 75 percent of the gross book value of the REIT once gross book value reaches \$300,000,000.

The REIT's liquidity ratio is calculated as follows:

<i>As at</i>	December 31, 2024	December 31, 2023
Current Assets	\$ 4,578,860	\$ 2,114,475
Current Liabilities	3,009,775	8,854,887
Liquidity Ratio ¹	152.13%	23.88%

As of December 31, 2024, current assets of \$4,578,860 exceeded current liabilities of \$3,009,775 (December 31, 2023 – current liabilities of \$8,854,887 exceeded current assets of \$2,114,475), resulting in a net working capital of \$1,569,085 and a liquidity ratio¹ of 152.13% (December 31, 2023 – working capital deficit of \$6,740,412 and 23.88%). The increase in the liquidity ratio from December 31, 2023 to December 31, 2024 is mostly due to the refinancing of the Element Phase I mortgage on February 29, 2024. Management completed the refinancing of the Element Phase I Property with a CMHC insured mortgage of \$8,387,700 with a 40 year amortization period, term of 10 years and interest rate of 4.30%.

The REIT's immediate liquidity needs are met through cash flow from operations and refinancing of maturing mortgages. Management believes there is sufficient liquidity to meet the REIT's financial obligations for the foreseeable future. For purposes of calculating the liquidity ratio¹, current liabilities exclude Exchangeable Units.

Cash Flows and Use of Funds

During the three months and year ended December 31, 2024 and 2023 the Trust reported the following changes in cash.

	Three months ended		Year ended	
	December 31		December 31	
	2024	2023	2024	2023
Cash provided by operating activities	\$ 745,138	\$ 467,879	\$ 2,945,083	\$ 2,369,915
Cash used in investing activities	(15,137)	(12,948)	(393,521)	(66,875)
Cash provided by (used in) financing activities	(485,954)	(495,880)	(78,927)	(1,961,936)
Change in cash during the period	\$ 244,047	\$ (40,949)	\$ 2,472,635	\$ 341,104

In the year ended December 31, 2024, renovations were completed to the roof of the Kenwood Property contributing to the significant increase in cash used in investing activities when compared to the same period 2023.

Management's Discussion and Analysis For the year ended December 31, 2024 (Expressed in Canadian Dollars)

Cash provided by operating activities and cash distributions

The following table outlines the differences between cash from operating activities, net income and cash distributions in accordance with National Policy 41-201, *Income Trusts and Other Indirect Offerings*:

	Three months ended			
	December 31		Year ended	
	2024	2023	2024	2023
Net income and comprehensive income	\$ 4,814,188	\$ 979,998	\$ 12,155,392	\$ 8,701,278
Add: distributions on Exchangeable Units	40,730	41,468	164,929	163,968
	4,854,918	1,021,466	12,320,321	8,865,246
Less: distributions paid	(76,046)	(74,583)	(301,255)	(294,407)
Excess of net income and comprehensive income over total distributions paid	4,778,872	946,883	12,019,066	8,570,839
Cash provided by operating activities	745,138	467,879	2,945,083	2,369,915
Less: distributions paid	(76,046)	(74,583)	(301,255)	(294,407)
Excess of cash provided by operating activities over total distributions and interest paid	669,092	393,296	2,643,828	2,075,508
Distributions declared	\$ 76,045	\$ 74,521	\$ 301,255	\$ 294,876

For Q4 2024 and the year ended December 31, 2024, net income and comprehensive income was in excess of total cash distributions paid. The increase over the same period 2023 is due mostly to an increase in NOI¹ over the prior year comparable period. Distributions are better evaluated in the context of operating cash flows rather than net income as net income is impacted by several non-cash items, including fair value gains or losses on investment properties, Exchangeable Units and Unit-based compensation.

While cash flows provided by operating activities generally sufficient to cover cash distribution requirements, the timing of expenses and fluctuations in non-cash working capital may result in a temporary shortfall. In these cases, some portion of distributions may come from the REIT's capital or financing sources other than cash flows provided by operating activities. For the quarter and year ended December 31, 2024 and 2023, cash provided by operating activities was in excess of total cash distributions and interest paid.

QUARTERLY RESULTS AND DISCUSSION OF QUARTERLY OPERATIONS

An eight-quarter trend highlighting key operating results since commencing commercial operations is shown below:

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Property revenue	\$ 2,631,643	\$ 2,607,394	\$ 2,566,572	\$ 2,540,498	\$ 2,521,270	\$ 2,496,143	\$ 2,487,043	\$ 2,454,405
NOI ¹	1,716,765	1,748,039	1,754,064	1,656,566	1,619,429	1,660,158	1,633,688	1,446,655
Net Income	4,814,188	4,217,974	2,505,206	618,024	979,998	1,664,263	2,839,458	3,217,559
FFO ¹	590,149	623,958	641,533	530,746	419,514	580,147	558,020	333,589
FFO per Unit ¹	\$ 0.0303	\$ 0.0320	\$ 0.0329	\$ 0.0272	\$ 0.0215	\$ 0.0298	\$ 0.0286	\$ 0.0171
AFFO ¹	575,012	507,528	395,949	514,376	406,566	568,420	527,410	321,999
AFFO per Unit ¹	\$ 0.0295	\$ 0.0260	\$ 0.0203	\$ 0.0264	\$ 0.0209	\$ 0.0292	\$ 0.0270	\$ 0.0165
Weighted average number of Units outstanding	19,498,838	19,498,838	19,498,838	19,498,838	19,498,838	19,498,838	19,498,838	19,508,727

Seasonal variations in operating expenses, such as snow clearing expenses and higher utility costs in winter and summer months also contribute to quarterly fluctuations in NOI¹, Net Income, AFFO¹ and FFO¹.

SAME PROPERTY PORTFOLIO PERFORMANCE

Same property results for the three months and year ended December 31, 2024 are defined as all properties owned and operated by the REIT throughout the comparative periods being reported, and therefore do not take into account the impact on performance of acquisitions, dispositions. The same property portfolio represents 516 units or 100% of the total portfolio at December 31, 2024.

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Revenue from investment properties	\$ 2,631,643	\$ 2,521,270	\$ 10,346,107	\$ 9,958,861
Expenses:				
Property operating expenses	681,190	675,977	2,533,484	2,695,493
Realty taxes	233,688	225,864	937,189	903,438
Total operating expenses	914,878	901,841	3,470,673	3,598,931
Same Property Net Operating Income¹	\$ 1,716,765	\$ 1,619,429	\$ 6,875,434	\$ 6,359,930

For the three months ended December 31, 2024, rental revenues for same property increased by 4.38% compared to Q4 2023. Property operating costs decreased by 0.93% as a percentage of operating revenues and property taxes decreased by 0.08% as a percentage of operating revenues, due to higher occupancy year over year. This resulted in an overall decrease in operating expenses, as a percentage of operating revenues of 100 basis points as compared to the same period last year.

During the three months ended December 31, 2024, total operating expense growth of 1.45% was more than offset by revenue growth of 4.38%, achieved through increasing market rents on turnover and rental increase on renewals. This resulted in an increase in same property NOI¹ of \$97,336, or 6.01% as compared to the same period last year. NOI margin for Q4 2024 was 65.24% as compared to 64.23% for Q4 2023, a 101 basis point increase.

The average monthly rent for the three months ended December 31, 2024 for same property increased to \$1,632 per suite from \$1,557 same period 2023, an increase of 4.82%. Occupancy for the three months ended December 31, 2024 for same property was 99.19%, compared to 99.08% for the three months ended December 31, 2023.

ACCOUNTING ESTIMATES AND POLICIES, CONTROLS AND PROCEDURES AND RISK ANALYSIS

Critical Judgments in Applying Accounting Policies

Significant areas of judgment, estimates and assumptions are set out in Note 3 to the annual audited consolidated financial statements for the years ended December 31, 2024 and 2023.

Investment Property Acquisitions

The Trust must assess whether an acquisition transaction should be accounted for as an asset acquisition or a business combination under IFRS 3. This assessment requires Management of the Trust to make judgments on whether the assets acquired and liabilities assumed constitute a business as defined in IFRS 3 and if the integrated set of activities, including inputs and processes acquired, are capable of being conducted and managed as a business and the Trust obtains control of the business.

Income Taxes

The Trust is a mutual fund trust and a real estate investment trust as defined in the Income Tax Act (Canada). The Trust is not liable to pay Canadian income taxes provided that its taxable income is fully distributed to Unitholders each year. The Trust is a real estate investment trust for the purposes of the Income Tax Act (Canada) if it meets the prescribed conditions under the Income Tax Act (Canada) relating to the nature of its assets and revenue. The Trust uses judgment in reviewing the real estate investment trust conditions and assessing their interpretation and application to the Trust's assets and revenue, and has determined that it qualifies as a real estate investment trust for the current period.

Critical Accounting Estimates and Assumptions

The Trust makes estimates and assumptions that affect the carrying amounts of assets and liabilities and the reported amount of income for the period. Actual results could differ from estimates. The estimates and assumptions that the Trust considers critical include the valuation of residential investment properties. In applying the Trust's policy with respect to investment properties, estimates and assumptions are required to determine the valuation of the properties under the fair value model.

Management's Discussion and Analysis For the year ended December 31, 2024 (Expressed in Canadian Dollars)

Risks and Uncertainties

The REIT faces a variety of risks, many which are inherent in the real estate business. They include, but are not limited to, the following:

Current Economic Environment

The REIT is subject to risks involving the economy in general, including inflation, deflation or stagflation, unemployment, geopolitical issues and international trade disputes and protection measures (including tariffs) or changes to existing trade agreements and a local, regional, national or international outbreak of a contagious disease adversely affecting economic conditions. Global inflation, exacerbated by supply chain issues and other macroeconomic conditions and geopolitical uncertainties, may keep central banks aggressive in their attempts to mitigate pricing pressures. The recent announcements by the U.S. regarding tariffs imposed on Canadian exports, along with any retaliatory tariffs imposed on the U.S. by Canada, are continually evolving and could have significant effects on the economy, which may impact the REIT's financial condition and operations.

Poor economic conditions could affect the ability of the REIT to maintain occupancy levels which would adversely affect the REIT's ability to generate revenues, thereby reducing its net operating income. During weak economic conditions, tenants may be unable to meet their rental payments and other obligations due to the REIT, which could have a negative impact on earnings. In addition, fluctuations in interest rates may negatively impact the REIT's refinancing of mortgages, reducing the ability of the REIT to secure upward financing for its properties when refinancing existing debt, and may impact the overall mortgage repayments required annually, due to increases in interest rates, reducing the amount of distributions available to Unitholders. Lastly, financial market uncertainty/volatility may negatively impact the REIT's performance by restricting the availability of future financing in the capital markets and may have an adverse effect on the trading price of the Trust Units.

A significant component of the REIT's ability to successfully operate relates to external factors that are beyond the REIT's control, particularly interest rates and capital markets conditions. As interest rates fluctuate in the lending market, generally so do capitalization rates which affect the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise, which decreases the value of the real estates and impact NAV¹ and Debt-to-Gross Book Value¹.

Operating History

The Trust has a limited history of operations and earnings. The success of the REIT depends on the expertise, judgments, discretion and management of the Trustees and the Manager. Such factors may have an impact on the market price of the Trust Units and the ability of the REIT to pay cash distributions to its Unitholders.

Real Estate Industry Risk

Risks in the real estate industry include changes in general economic conditions (such as the availability and cost of mortgage financing), local conditions (such as an oversupply of space or a reduction in the demand for real estate in the area), government regulations (such as new or revised residential tenancies legislation), the attractiveness of the properties to tenants, competitors in the area, as well as the ability to find and maintain tenancies where the tenants have stable employment.

Real estate is relatively illiquid, with the degree of liquidity fluctuating in relation to demand for the perceived desirability of the assets. Such illiquidity may limit the Trust's ability to vary its portfolio promptly in response to changing economic, investment or other conditions. If it were necessary to accelerate the liquidation of the Trust's investment properties, the proceeds may be significantly less than the fair market value of its properties. The Trust is currently operating in a concentrated geographic area, which increases the risk if a downturn in the local conditions of the area in which the Trust's investment properties are located.

The Trust is exposed to significant expenditures, such as property taxes, utilities, insurance and mortgage payments. These cost have very little fluctuations based on occupancy rates of the investment properties. As stated, the Trust's properties require significant mortgage payments, and if the Trust were unable to meet the mortgage payment obligations, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or of sale.

The Trust owns newer generation properties which require ongoing maintenance and enhancements for the benefit of our residents. Due to the age of the properties, Management does not expect to incur significant capital expenditures over the coming twelve months.

Property Acquisition Risk and Access to Capital

The Trust's growth is dependent on identifying and acquiring additional investment properties. If the Trust cannot complete further acquisitions it may have a negative impact on the ability to generate stable cash flows and will likely impact the ability of the Trust to increase cash distributions in the future. The current market to acquire multi-family properties is very competitive, thereby increasing purchase prices and decreasing yields. Competitors may have access to greater financial resources than those of the Trust. The Trust may require additional financing or capital raises to complete acquisitions which may or may not be available.

Management's Discussion and Analysis For the year ended December 31, 2024 (Expressed in Canadian Dollars)

The Trust requires access to capital markets in order to continue to acquire properties and/or restructure mortgage debt. There can be no assurances that the Trust will have access to sufficient capital or access to capital on favourable terms for future property acquisitions, financing or refinancing purposes, or funding operating expenses. Failure of the Trust to access required capital could have a material adverse effect on the Trust's business, cash flows, financial condition and financial performance and ability to make distributions to Unitholders.

Changes in Legislation

The Trust is subject to laws and regulations governing the ownership and leasing of real property, landlord/tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, municipal or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirement affecting the Trust (including with retroactive effect). Any changes in the laws to which the Trust is subject could materially adversely affect the Trust's rights and title to its assets or its ability to carry on its business in the ordinary course.

Risks Associated with External Asset and Property Management Agreement

The Trust relies on the Manager and its affiliates with respect to the management of the Trust's assets and the management of the Trust's properties. If the Trust were to lose the services provided by the Manager and its affiliates, the Trust may experience an adverse impact on its business operations. The Trust may be unable to duplicate the quality and depth of the services available to it by handling such services internally or by retaining another service provider.

Litigation

The Trust may become directly or indirectly involved in legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Trust and as a result could have a material adverse effect on the Trust's assets, liabilities, business, financial condition and performance. Even if the Trust prevails in such proceedings, the cost and diverted time of management could negatively impact the Trust.

Valuations of Properties

The valuation of Investment Properties by internal valuation techniques or externally acquired appraisals is an estimate of market value and caution should be used in evaluating data with respect to appraisals. It is an estimate of value based on information gathered in the investigation, internal valuation/appraisal techniques employed and reasoning both quantitative and qualitative, leading to an opinion of value. Internal valuations and appraisals are based on various assumptions of future expectations of property performance and while the internal valuation team/appraiser's internal forecast of net income for the properties appraised are considered to be reasonable at that time, some of the assumptions may not materialize or may differ materially from actual experience in the future. Internal valuations and/or appraisals are not guarantees of future value and there is no assurance that an internally derived or appraised value reflects an amount that would be realized upon a current or future sale of any of the properties or that any projections included in the internal valuation or appraisal will be attainable. In addition, as prices in the real estate market fluctuate over time in response to numerous factors, the value of the property as shown in an internal valuation or appraisal may be an unreliable indication of its disclosed market value.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Trust Units may trade at a premium or a discount to values implied by internal valuations or appraisals.

General Uninsured Losses

The Trust carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are certain types of risks which are uninsurable or not economically insurable. Should an uninsured or underinsured loss occur, the Trust could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and would continue to be obligated to repay any recourse mortgage indebtedness on such properties. There is a risk that any significant increase in insurance costs will impact negatively upon the profitability of the Trust.

Key Personnel

The Trust's executive officers have a significant role in the Trust's success and oversee the execution of the Trust's strategy. The Trust's ability to retain its management team or attract suitable replacements should any members of the management team leave is dependent on, among other things, the competitive nature of the employment market.

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

Tax-related Risks

1. Mutual Fund Trust Status – The Trust intends to qualify at all relevant times as a “mutual fund trust” for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders.
2. The REIT Exception – Canadian tax legislation relating to the federal income taxation of “specified investment flow through” trusts or partnerships provided that certain distributions from a SIFT will not be deductible in computing the SIFT’s taxable income and that the SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. However, distributions paid by a SIFT as return of capital should generally not be subject to tax. Under the SIFT rules, the taxation regime will not apply to a real estate investment trust that meets prescribed conditions relating to the nature of its assets and revenue (the “REIT Exception”). The REIT Exception is comprised of a number of technical tests and the determination as to whether the Trust qualifies for the REIT Exception in an particular taxation year can only be made with certainty at the end of that taxation year. The Trust expects to qualify for the REIT Exception in 2021 and subsequent taxation years, such that it will be exempt from the SIFT rules. However, no assurances can be given that the Trust will satisfy the REIT Exception in any particular year. If the SIFT rules apply to the Trust, they may adversely affect the marketability of the Units, the amount of cash available for distributions and the after-tax return to investors.
3. Non-resident ownership – Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of Non-Residents, except in limited circumstances. Accordingly, the Declaration of Trust provides that Non-Residents may not be the beneficial owners of more than 49% of the Trust Units (determined on a basic or fully-diluted basis). The Trustees also have various powers that can be used for the purpose of monitoring and controlling the extent of a Non-Resident ownership of the Trust Units.
4. Tax-Basis of Acquired Properties – The partnership has acquired, and may from time to time in the future acquire, certain properties on a fully or partially tax-deferred basis, such that the tax cost of these properties will be less than their fair market value. If one or more of such properties are disposed of, the gain realized by the Partnership for tax purposes (including any income inclusions arising from the recapture of previously claimed CCA on depreciable property) will be in excess of that which it would have realized if it had acquired the properties at a tax cost equal to their fair market values. For the purpose of claiming CCA, the UCC of such properties acquired by the Partnership will be equal to the amounts jointly elected by the Partnership and the transferor on a tax-deferred acquisition of such property. The UCC of such property will be less than the fair market value of such property. As a result, the CCA that the Partnership may claim in respect of such properties will be less than it would have been if such properties had been acquired with a tax cost basis equal to their fair market values.
5. General taxation – There can be no assurance that Canadian federal or provincial or municipal tax laws, the judicial interpretation thereof, or the administrative and assessing practices and policies of the Canada Revenue Agency, the Department of Finance (Canada) and any other tax authority or tax policy agency will not be changed in a manner that adversely affects the Trust, its affiliates or Unitholders, or that any such taxing authority will not challenge tax positions adopted by the Trust and its affiliates. Any such change or challenge could increase the amount of tax payable by the Trust or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

Financial Risk Management

In the normal course of business, the Trust is exposed to a number of risks that can affect its operating performance.

These risks and the actions taken to manage them include the following:

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of interest rate risk, currency risk and other price risk.

Interest rate risk is the risk that changes in market interest rates will affect the Trust’s financial instruments. As of December 31, 2024 and 2023, the Trust’s mortgages bore interest at fixed rates

Management monitors anticipated interest rate changes and mitigates the negative impact of interest rate increases by locking in interest rates early where applicable.

The Trust's financial statement presentation currency is in Canadian dollars. Operations are located in Canada and the Trust has limited operational transactions in foreign-denominated currencies. As such, the Trust has no significant exposure to currency risk.

Other price risk is the risk of variability in fair value due to movements in equity prices or other market prices such as commodity prices and credit spreads.

The Trust is exposed to other price risk on its Exchangeable Units. A one percent change in the prevailing market price of the Exchangeable Units as at December 31, 2024 would have a \$67,883 (December 31, 2023 - \$97,571) change in the fair value of the Exchangeable Units.

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

ii) Credit risk

Credit risk is the risk that tenants may experience financial difficulty and be unable to fulfill their lease commitments. An allowance for impairment is taken for all expected credit losses.

Management mitigates this risk by carrying out appropriate due diligence on the prospective tenant and obtaining security deposits. Management monitors the collection of residential rent receivables on a regular basis with strict procedures that fall within the provincial regulations designed to minimize credit loss in the case of non-payment. The risk of exposure to credit risk is generally limited to the carrying amount of the financial statement.

The Trust's maximum exposure to credit risk is equivalent to the carrying value of each class of financial asset as separately presented in cash and accounts and other receivables.

Management assesses the impairment of tenant receivables on an individual basis and uses the simplified approach measure expected credit losses; this will be at the lifetime expected credit losses associated with the arrangement.

Management determines that an amount receivable is credit impaired based upon previous collection history, as well as forward looking information where available regarding economic trends in the tenant's industry and the region the tenant is in. Impairment losses are recognized in the consolidated statement of income(loss) and comprehensive income(loss) within investment properties operating expenses.

(iii) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due. The Trust manages this risk by ensuring it has sufficient cash on hand to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities.

An analysis of the contractual cash flows at December 31, 2024 associated with the Trust's material financial liabilities is set out below:

	Year 1	Year 2	Year 3	Year 4	Year 5 and thereafter	Total
Mortgages payable - principal and interest	\$ 4,976,521	\$ 4,976,521	\$ 38,606,250	\$ 3,269,994	\$ 68,065,328	\$ 119,894,614
Accounts payable and accrued liabilities	869,797	-	-	-	-	869,797
Security deposits	572,455	35,842	-	-	-	608,297
	\$ 6,418,773	\$ 5,012,363	\$ 38,606,250	\$ 3,269,994	\$ 68,065,328	\$ 121,372,708

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Trust's financial instruments consist solely of cash and cash equivalents, trade and other receivables, accounts payable, accrued liabilities and amounts due to related parties. As of December 31, 2024, there were no significant differences between the carrying value of these items and their estimated fair values because of the short-term nature of these instruments.

**Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)**

DISCLOSURE OF OUTSTANDING UNIT DATA

The following table sets forth the Trust's capitalization as of the date hereof.

Type of Security	Number Outstanding
Trust Units	9,055,242
Exchangeable Units	10,443,596
Deferred Units ⁽¹⁾	169,608
Total securities outstanding	19,668,446

Voting Securities

Type of Security	Number Outstanding
Trust Units	9,055,242
Special Voting Units ⁽²⁾	10,497,309
Total Voting Units	19,552,551

Notes:

- (1) The Deferred Units entitle the holder thereof to receive: (i) additional deferred units of the REIT upon payment of cash distributions to Unitholders; and (ii) one (1) Trust Unit, or cash in lieu thereof, upon the redemption thereof in accordance with the terms and conditions of the Trust's equity incentive plan.
- (2) The Special Voting Units have no economic entitlement in the REIT or in the distributions or assets of the REIT but entitle the holder to one (1) vote per Special Voting Unit at any meeting of the Unitholders. Special Voting Units may only be issued in connection with or in relation to securities exchangeable into or redeemable for Trust Units for the purpose of providing voting rights with respect to the REIT to the holders of such securities.

RELATED PARTY TRANSACTIONS

In the normal course of operations, the Trust enters into various transactions with related parties. In addition to the related party transaction disclosed elsewhere in the consolidated financial statements, related party transactions for the three months and year ended December 31, 2024 and 2023 include:

Related Party Transactions	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
Property management fees	\$ 114,216	\$ 107,509	\$ 447,583	\$ 426,207
Salary reimbursement	58,157	39,629	214,048	216,261
Construction costs	4,513	-	285,557	-
Construction management fees	225	-	13,576	-
Asset management fees	92,033	86,034	357,832	336,283
Incentive fee	13,785	90,600	13,785	90,600
Board compensation	39,071	38,167	164,772	151,499

On April 30, 2021, the Trust and the Manager entered into a management agreement with a term of ten years, with subsequent renewal periods for further five-year terms, relating to various asset management and property management services. On April 30, 2021, a sub-agreement between the Manager and Marwest Management Canada Ltd., a company under common control, was entered into for the property management of Marwest Apartments I L.P. and Marwest Apartments VII L.P. On November 15, 2021 and October 31, 2022, a sub-agreement between the Manager and Marwest Management Canada Ltd. was entered into for the property management of Marwest (Element) Apartments L.P. and the Prairie View Pointe Property, respectively. In addition, the Manager has entered into a sub management agreement with Marwest Construction Ltd., a company under common control, to perform the construction management functions of the agreement. As part of the agreement, the Manager is entitled to an incentive fee of 15 percent increase in the REIT's AFFO per Unit in excess of the AFFO per Unit determined as at December 31 of the prior fiscal year, provided that the maximum Incentive Fee that may be paid in any fiscal year is up to 100 percent of the base Asset Management Fee. An incentive fee amount was accrued as at December 31, 2024 of \$13,785 (2023 - \$90,600)

During the three months and year ended December 31, 2024, \$4,513 and \$285,557, respectively, of construction costs were incurred to a related party of the Manager. For the three months and year ended December 31, 2024, \$4,513 and \$285,557, respectively, of this amount relates to work subcontracted to an unrelated party of the Manager and quotes were obtained from multiple subcontractors before awarding the work. The related party of the Manager was entitled to a \$225 and \$13,576 Construction Management Fee equal to 5 percent of construction costs for the three months and year ended December 31, 2024.

**Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)**

During the three months and year ended December 31, 2024, the Board of Trustees were issued an aggregate of 596 and 2,343 (December 31, 2023 – 14,448 and 57,228) Deferred Units respectively at an aggregated value of \$656 and \$2,577 (December 31, 2023 - \$14,448 and \$57,228) respectively along with \$33,801 and \$134,470 (2023 - \$40,588 and \$88,488) respectively in cash as part of the Trustee annual remuneration. Prior to January 1, 2024, the Trustees elected to receive 50 percent of their annual compensation, excluding meeting fees, in Deferred Units. The Trustees were also remunerated \$1,500 per board meeting in the three months and year ended December 31, 2024 (December 31, 2023 - \$1,500).

During the three months and year ended December 31, 2024, there were nil and \$37,745 of financing fees (December 31, 2023 – nil) paid to Canada ICI Capital Corporation, of which a member of the Board of Trustees provides services to.

INCOME TAXES

The *Income Tax Act* (Canada) (the "Act") contains legislation affecting the tax treatment of specified investment flow-through (SIFT) trusts which include publicly-listed income trusts (the "SIFT Rules"). Under the SIFT Rules, certain distributions from a SIFT are not deductible in computing a SIFT's taxable income, and the SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation.

However, distributions paid by a SIFT as returns of capital are generally not subject to tax. The SIFT Rules do not apply to a real estate investment trust that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"). Instead, a real estate investment trust that meets the REIT Conditions is not liable to pay Canadian Income taxes provided that its taxable income is fully distributed to unitholders during the period.

The REIT has reviewed the SIFT Rules and has assessed their application to the REIT's assets and revenues. While there are uncertainties in the interpretation and application of the SIFT Rules, the REIT has met the REIT Conditions for the years ended December 31, 2024 and 2023, and accordingly is not subject to current income taxes. Accordingly, no provision for current income taxes payable is required.

CONTINGENCIES AND COMMITMENTS

The Trust is subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of Management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the consolidated financial statements of the Trust.

CHANGES IN MATERIAL ACCOUNTING POLICIES

The following change in accounting policy was disclosed in the 2024 consolidated financial statements (note 4).

The REIT adopted *Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants – Amendments to IAS 1*, (the "Amendments") as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on January 1, 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current. The amendments clarify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists.

As a result of the adoption of the Amendments, the REIT classified the unit-based compensation liability as a current liability when it had previously been recorded as a non-current liability on the consolidated statements of financial position. The impact as at December 31, 2023 was to increase current liabilities and decrease non-current liabilities by \$150,539 and as at January 1, 2023 was \$93,531. There was no impact to the consolidated statements of income and comprehensive income or the consolidated statements of cash flows.

FUTURE CHANGES IN ACCOUNTING STANDARDS

The following accounting standards under IFRS have been issued or revised, however are not yet effective and as such have not been applied by the Trust.

IFRS 18, *Presentation and Disclosure in Financial Statements* will replace IAS 1, *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements:

- (i) Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profits will not change;
- (ii) Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements; and
- (iii) Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

The REIT is currently assessing the impact of the new standard, particularly with respect to the structure of the REIT's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.

The IASB issued amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures* in May 2024. These amendments relate to classification of financial assets and accounting for settlement by electronic payments in the context of the classification and measurement requirements in IFRS 9. The potential impact may include, but is not limited to, a change in timing of recognition and derecognition of financial instruments in situations where settlement of a financial instrument with another takes more than a day. Similarly, a change may be required for entities that derecognize both trade payable and cash on the payment initiation date even if the creditor has not yet received the cash. However, an accounting policy choice is available for derecognizing certain financial liabilities that are settled using an electronic payment system, subject to certain criteria being met. The amendments will be effective from January 1, 2026. The REIT is currently assessing the impact of the new standard, but it is not expected to have a material impact on the REIT's consolidated financial statements.

SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2024:

- (i) On each of January 15, 2025, February 18, 2025 and March 17, 2025, the REIT paid monthly distributions of \$0.0013 per Trust Unit. Holders of the Exchangeable Units were also paid a distribution of \$0.0013 per Unit.
- (ii) On March 17, 2025, the REIT declared a distribution of \$0.0013 per Trust Unit, payable on April 15, 2025 to Unitholders of record as of the close of business on March 31, 2025. Holders of the Exchangeable Units will also be paid a distribution of \$0.0013 per Unit.

Management's Discussion and Analysis
For the year ended December 31, 2024
(Expressed in Canadian Dollars)

Appendix A

Forward-Looking Disclaimer

Certain statements contained in this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities laws which reflect the Trust's current expectations and projections about future results. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Trust to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

This MD&A may contain forward-looking statements (within the meaning of applicable securities laws of the provinces and territories of Canada) relating to the REIT. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "estimates", "intends", "anticipates", "does not anticipate", or "believes", or variations of such words and phrases, or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken to occur or be achieved. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumptions underlying any of the foregoing.

This forward-looking information is not based on historical facts, but, rather, on the expectations, estimates, forecasts and projections of the REIT regarding future growth, its results of operations, performance and business prospects and opportunities. Such forward-looking information reflects the current beliefs of the REIT, based on information currently available to it and is also based, in part, on certain assumptions made by the REIT, including, but not limited to, assumptions relating to:

- interest rates;
- capitalization rates;
- rent control;
- the availability of Canada Mortgage and Housing Corporation ("**CMHC**") financing to the REIT;
- the availability of credit markets to the REIT;
- inflationary pressures;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or other jurisdictions in which the REIT may own properties;
- the REIT achieving, sustaining or increasing profitability and its ability to raise additional capital to fund operations;
- the REIT's ability to pay distributions;
- the Manager and the REIT being able to attract and retain key personnel;
- the REIT being able to acquire any additional properties in furtherance of its mandate and effectively integrate such acquisitions;
- occupancy levels of the REIT's properties and rental rates for units in such properties;
- the real estate industry generally (including liquidity of real estate investments, competition, government regulation, environmental matters, and costs and expenses);
- the tax treatment of the REIT remaining constant; and
- the REIT not becoming subject to any material legal proceedings.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the REIT to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Actual results, performance or achievement could differ materially from that expressed in, or implied by, any forward-looking information contained in or incorporated by reference in this MD&A, and, accordingly, Unitholders should not place undue reliance on any such forward-looking information. Certain factors that may affect the future results, performance or achievements of the REIT are referenced or summarized in this MD&A under the heading "*Risk Factors*". Further, any forward-looking information speaks only as of the date on which such statement is made and the REIT undertakes no obligation to update any forward-looking information to reflect the occurrence of unanticipated events, except as required by law including applicable securities laws. New factors emerge from time to time and the importance of current factors may change from time to time and it is not possible for management of the REIT to predict all of such factors, changes in such factors and to assess in advance the impact of each such factor on the business of the REIT, respectively, or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information contained or incorporated by reference herein.