

# INTERRENT REIT

INVESTOR PRESENTATION

Q4 2023 Conference Call

February 29, 2024



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# Forward Looking Statements

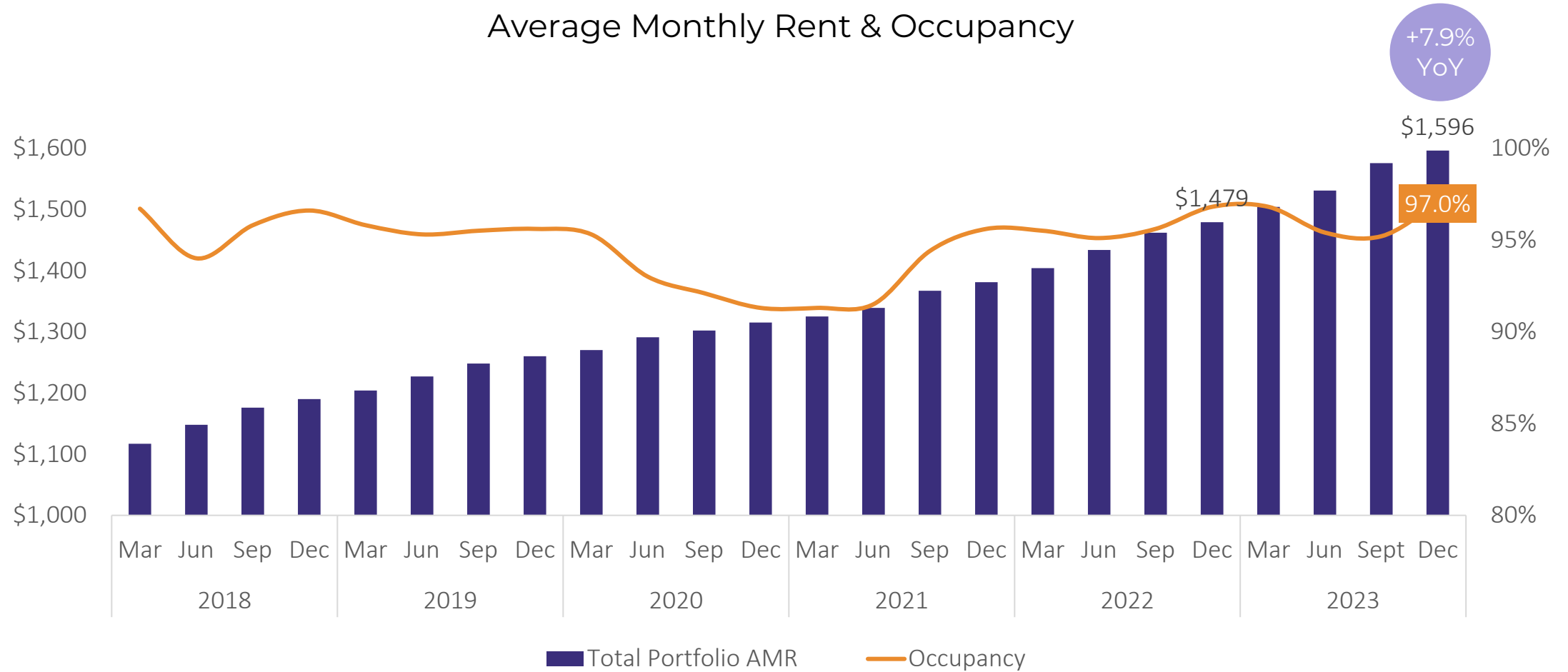
This presentation contains “forward-looking statements” within the meaning of applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “anticipated”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “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”. InterRent is subject to significant risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements contained in this release. A full description of these risk factors can be found in InterRent’s publicly filed information which may be located at [www.sedarplus.ca](http://www.sedarplus.ca). InterRent cannot assure investors that actual results will be consistent with these forward-looking statements and InterRent assumes no obligation to update or revise the forward-looking statements contained in this presentation to reflect actual events or new circumstances.

# QUARTERLY & YEAR-END RESULTS



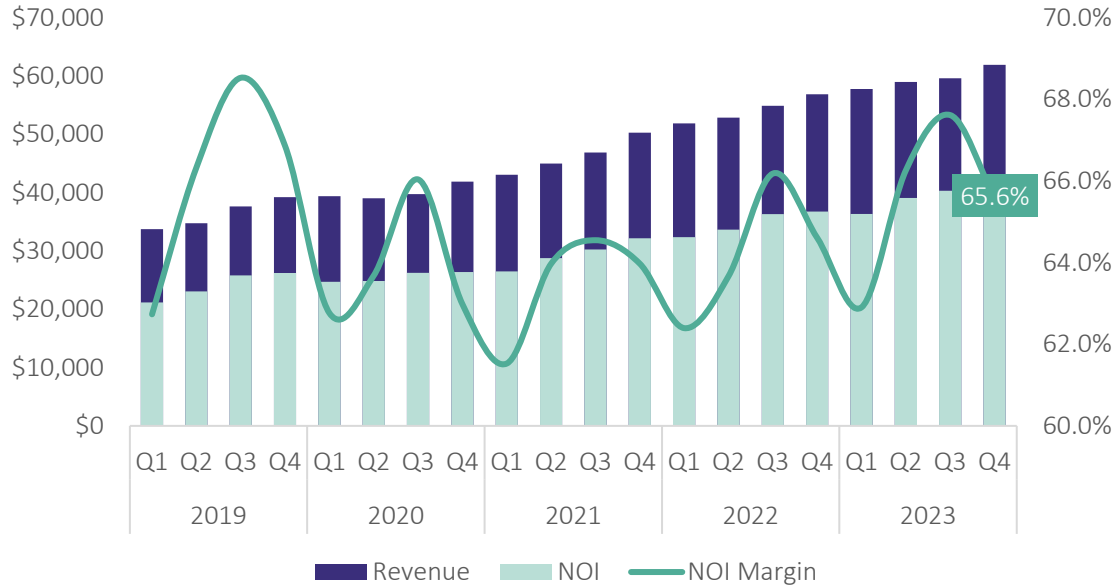
# Operational Highlights: Accelerated AMR Growth

### Average Monthly Rent & Occupancy

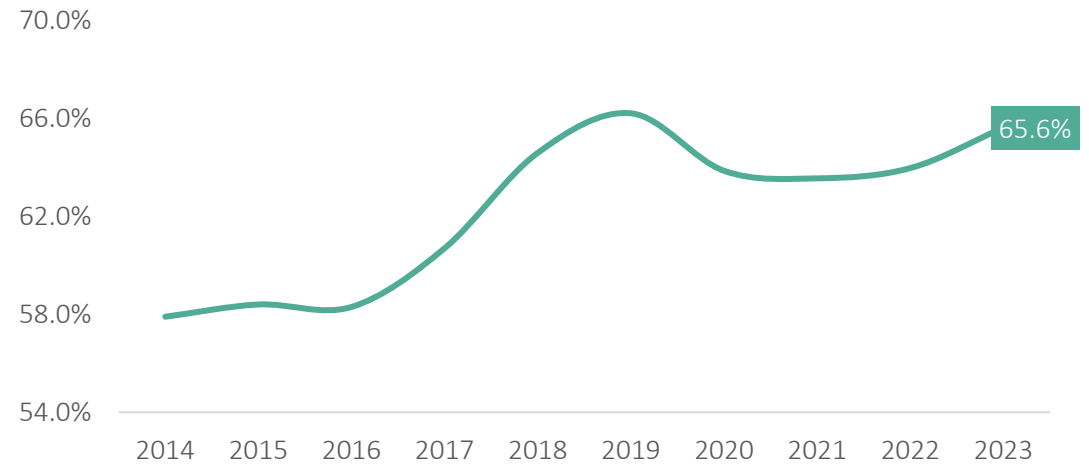


# Financial Highlights: Sustained Profitability

Steady Expansion of Revenue & NOI  
Quarterly

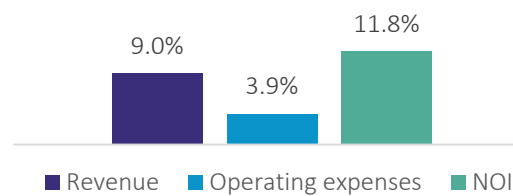


Strong NOI Margin Recovery  
Annual



Strength in Same Property Portfolio

YoY Increases

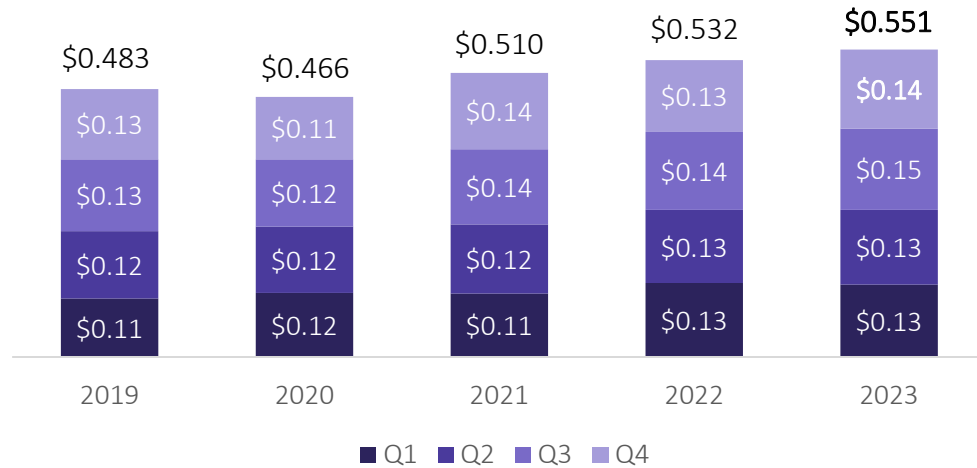


65.6%

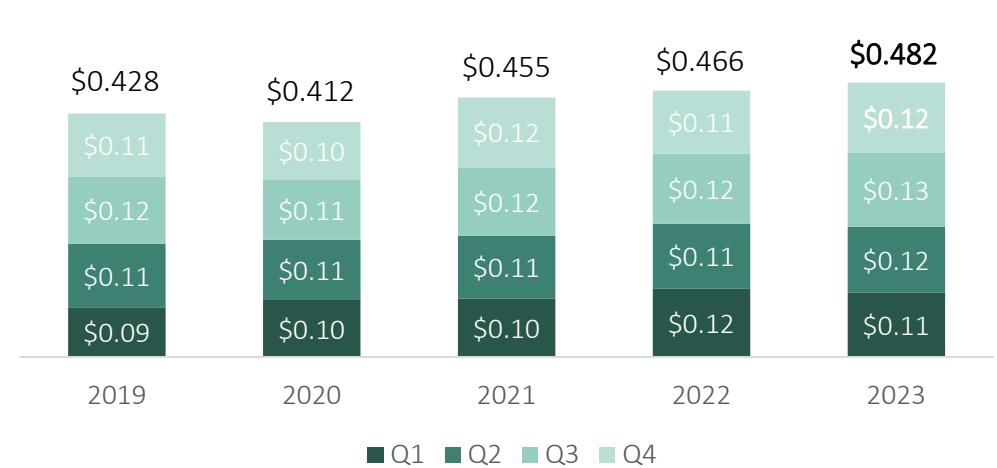
SP NOI Margin  
+ 170 bps over 2022

# Financial Highlights: Driving Up Per-Unit Performance Measures

FFO per Unit  
*Diluted*



AFFO per Unit  
*Diluted*



YoY Change

+10.1%

Q4 2023

+3.6%

FY 2023

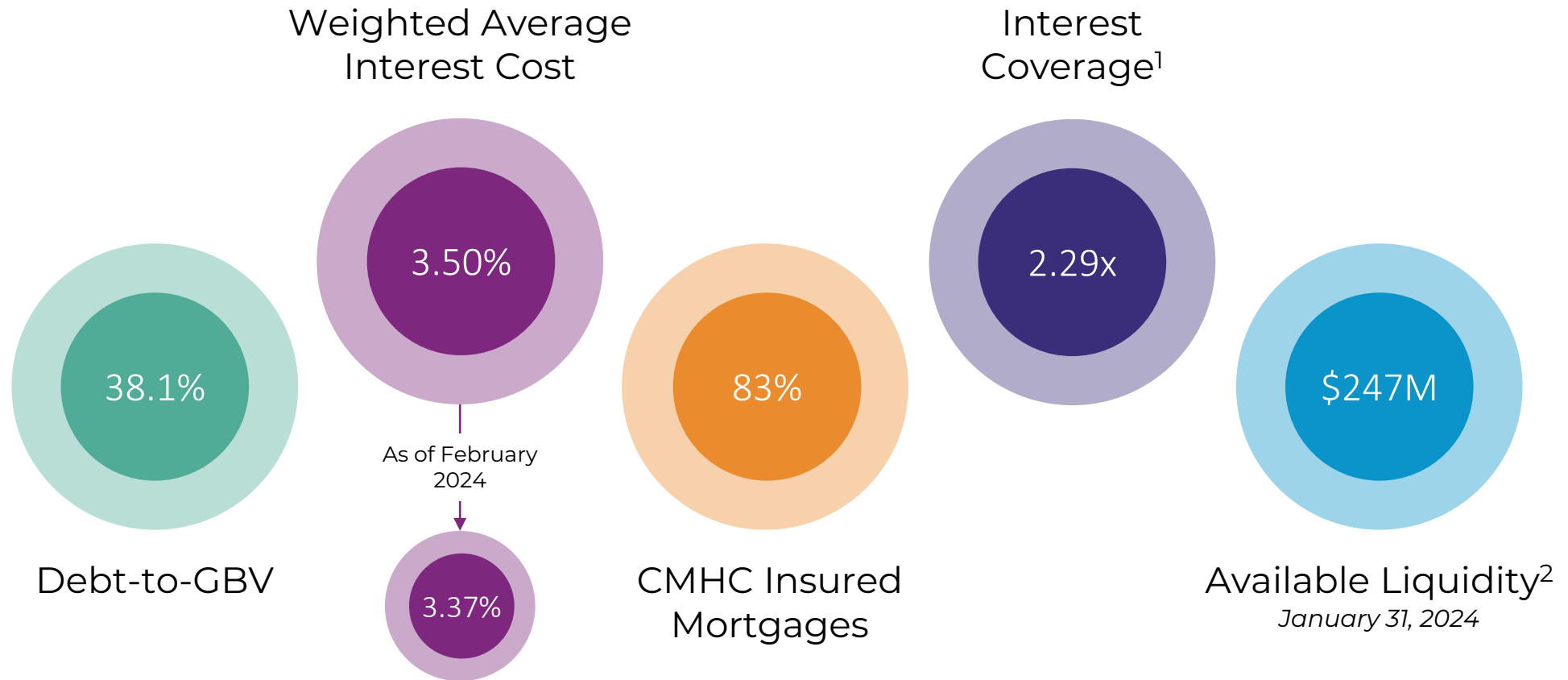
+12.7%

Q4 2023

+3.4%

FY 2023

# Financial Highlights: Strengthening Financial Position

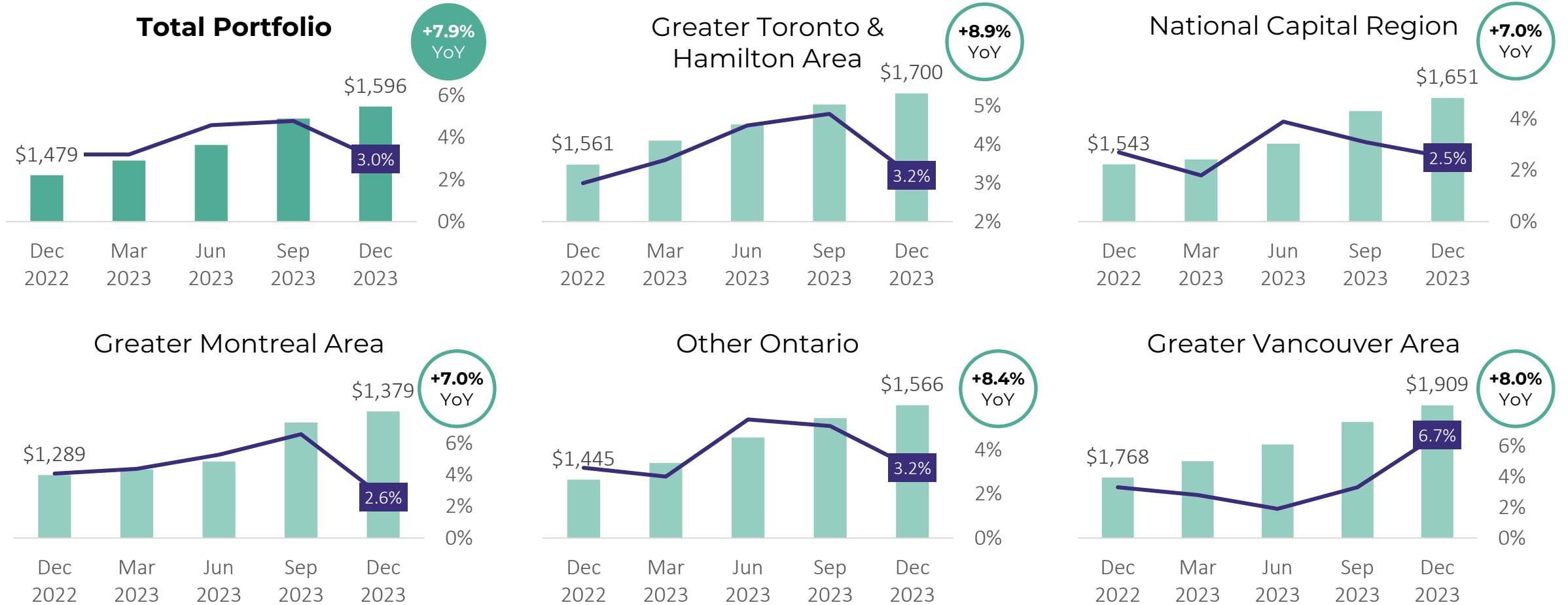




# OPERATING HIGHLIGHTS

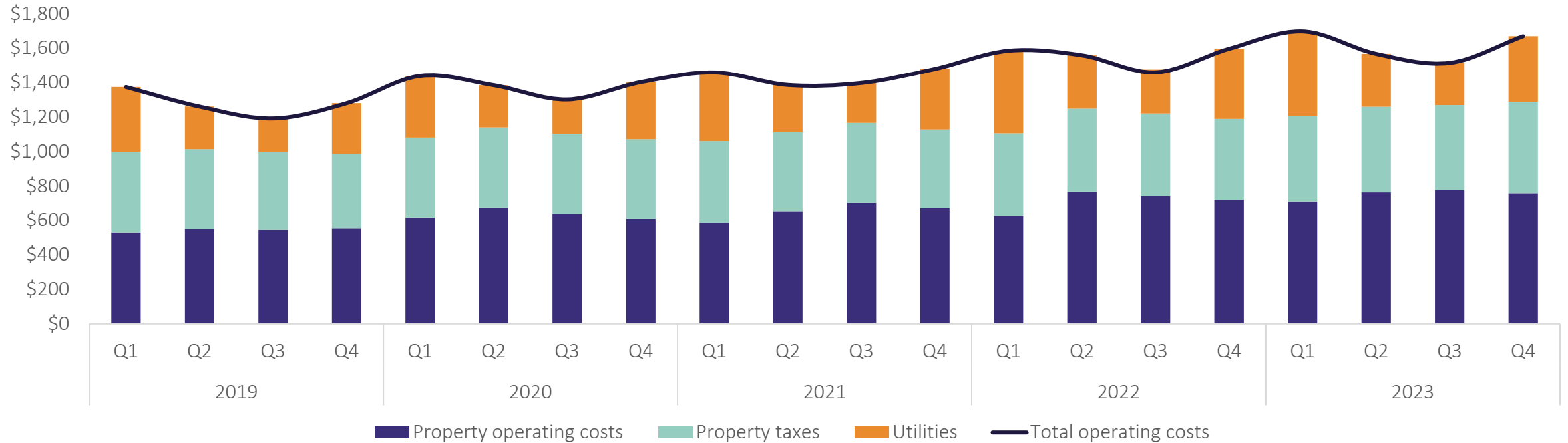


# Operating Highlights: Growing AMR Across All Regions



# Operating Expenses

Operating Expenses per Suite



- Managing property operating expenses through **technology, training & energy efficiency programs**
- Meaningful reductions in our utilities expense driven by both usage and rate reductions



In 2023, operating expenses as a percentage of revenue decreased **160 basis points to 34.4%**.

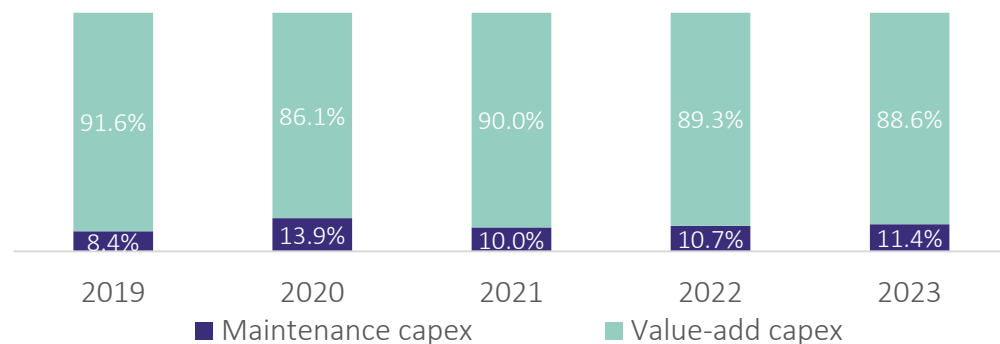


# Creating Value Through Strategic Expenditures

## A Well-Maintained Portfolio

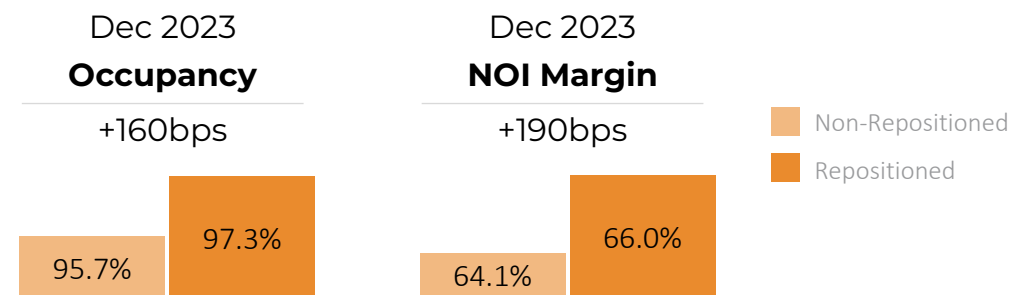
Year	Maintenance Capex	Per Repositioned Suite
2019	\$6.4M	\$975
2020	\$7.3M	\$946
2021	\$7.9M	\$950
2022	\$9.6M	\$1,069
2023	\$10.2M	\$1,005

## With a Focus on Value-Add Investments<sup>1</sup>



## Investing in Our Properties

As of December 31, 2023, the REIT has **2,611** suites, or **20%** of our portfolio, at various stages in its repositioning program and invested **\$32.8M** in the 2023 fiscal year.



## Capitalizing on Substantial Upside

Repositioned suites **experience higher occupancy and greater NOI margins** due to investments in the efficiency of the properties, as well as enhancements in the quality of community services and accommodations.

<sup>1</sup> Excluding capital expenditures related to properties under development

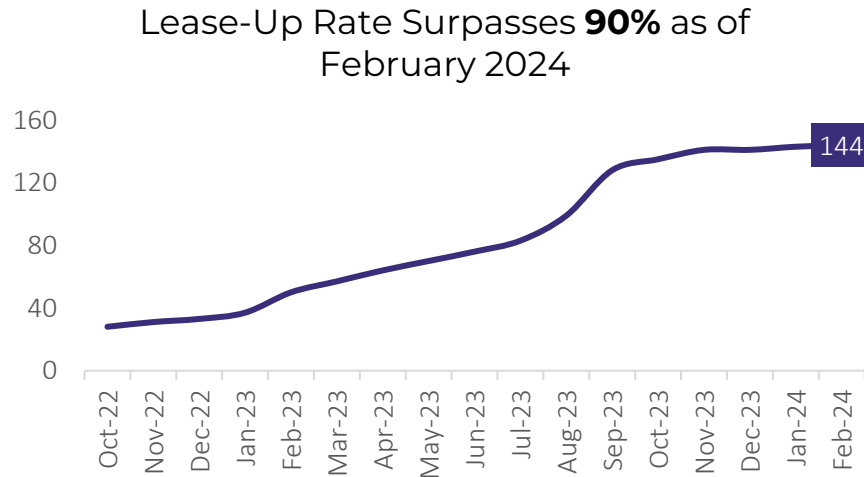
# Strong Lease-Up Momentum at The Slayte

473 ALBERT STREET – *The Slayte*  
Ottawa, ON – NCR

Nearing the completion on our first adaptive reuse project, where we transformed an existing office space into residential apartments.

- Work is complete with the exception of the spa area on the outdoor rooftop terrace
- Committed to keeping 10% of suites affordable for 10 years

Suites	158
Total project cost	\$81M
Expected yield	4.3%
Expected IRR <sup>1</sup>	>15%



# BALANCE SHEET



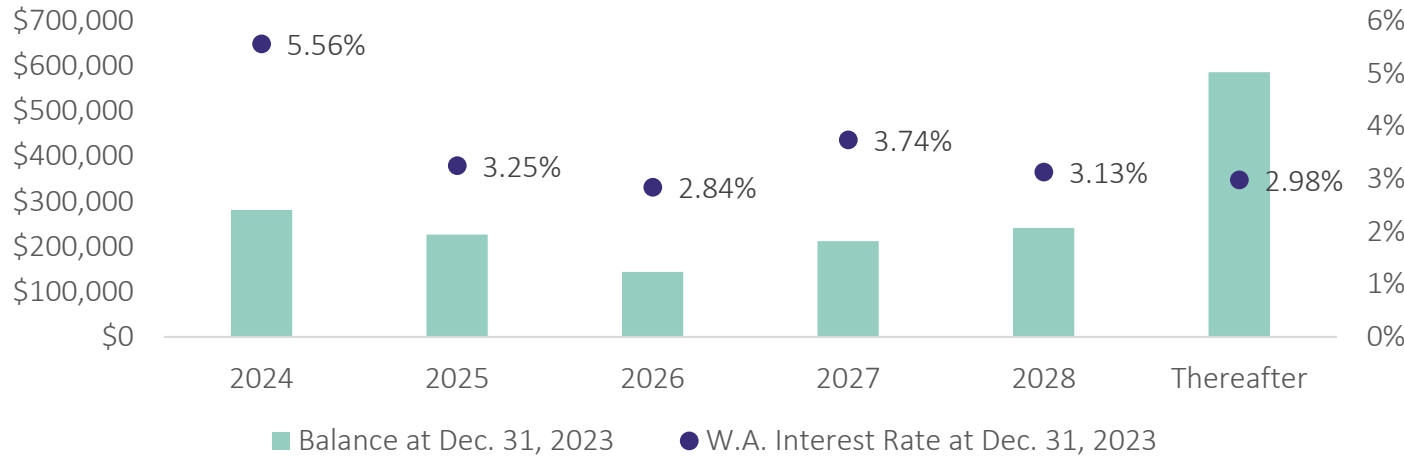
# IFRS Valuation

Region	Q4 '23 Cap Rate	Q3 '23 Cap Rate	Q-o-Q Change
Greater Toronto & Hamilton Area	4.11%	4.12%	-1bps
National Capital Region	4.41%	4.43%	-2bps
Greater Montreal Area	4.02%	4.02%	-
Greater Vancouver Area	3.44%	3.44%	-
Other Ontario	4.76%	4.75%	+1bps
<b>Total Investment Properties</b>	<b>4.22%</b>	<b>4.22%</b>	<b>-</b>

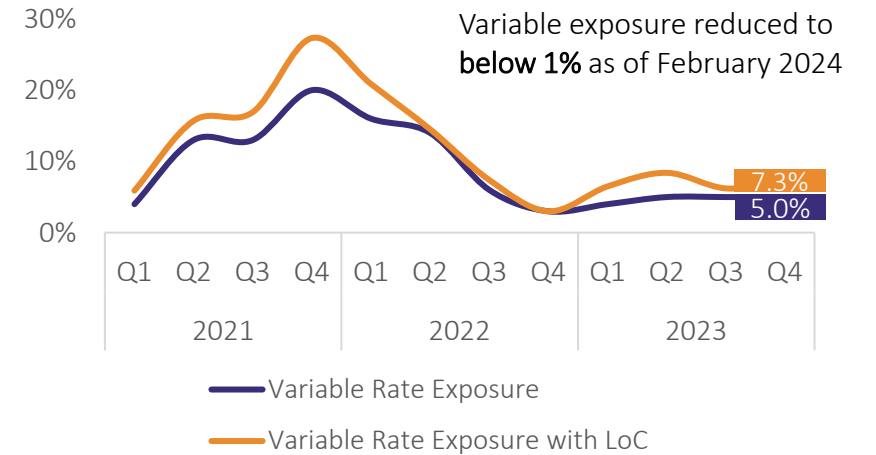
\$14.8 million proportionate fair value gain recorded in Q4 2023, resulting from NOI improvements

# Remaining Diligent in Managing Debt Profile

Mortgage Maturity Schedule  
In \$000s



Reducing Our **Variable Rate** Exposure



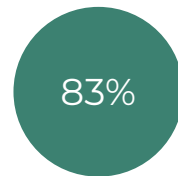
Average Term to Maturity



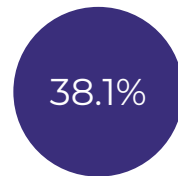
Weighted Average Interest Cost



February 2024



CMHC Insured Mortgages



Debt-to-GBV



Debt-to-EBITDA<sup>1</sup>



Repositioned portfolio

<sup>1</sup>Trailing twelve-month EBITDA





# SUSTAINABILITY





# 2023 Sustainability Highlights




## Environmental

-  Energy Management System  
Introduced ISO 50001-aligned Energy Management System
-  Climate Integrations Into Capital Program  
Collaborated with external advisors to integrate climate considerations into acquisitions/dispositions and capital expenditure models

## Social

-  IDEA: Inclusion, Diversity, Equity, and Accessibility  
Expanded “DEI” to “IDEA” to include accessibility considerations
-  Raised \$1,665,000 for Charity  
Supported charities in our communities through our annual Mike McCann Charity Golf Tournament

## Governance

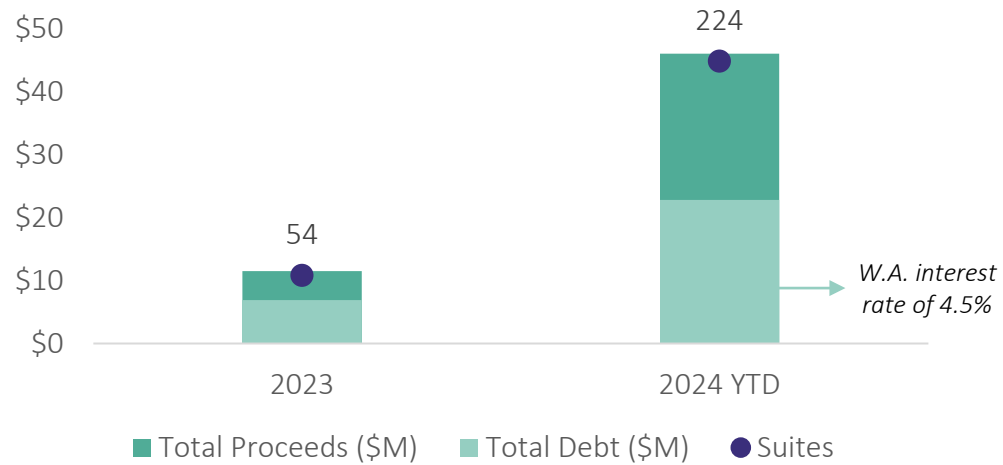
-  Board-Level Sustainability Committee  
Introduced dedicated Board-level committee to enhance oversight and drive initiatives
-  Climate Training  
Provided climate training to all team members and all members of our Board of Trustees
-  Building Certifications  
**73.2%** of total suites certified under the Certified Rental Building Program

# CAPITAL ALLOCATION



# Capital Optimization

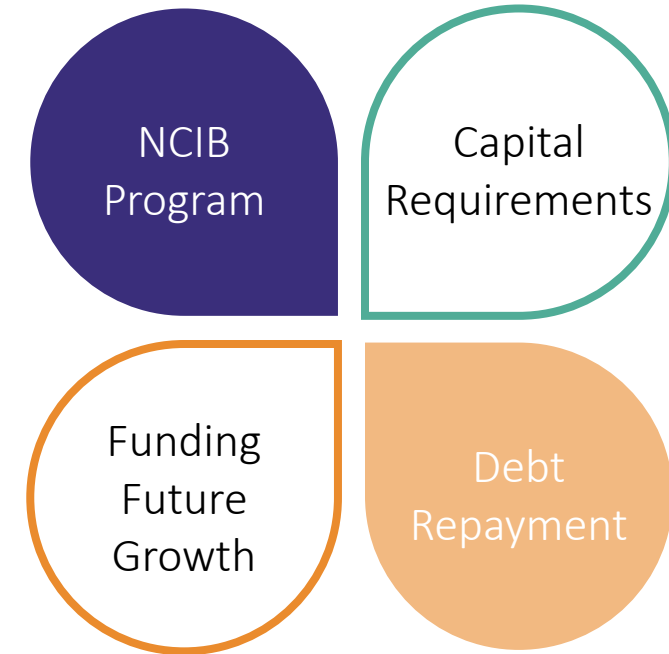
## Making Advancements on Our Disposition Program



### 2024 Activity

Sold 5 properties totaling **224 suites** in Côte-Saint-Luc (GMA) for a sale price above IFRS value of **\$46M**.

## Reinvesting in Our Portfolio



# Development Pipeline



**360 Laurier**  
*Ottawa, ON*

Suite Count	<b>139</b>
Commercial Sq. Ft.	<b>1,736</b>
Ownership	<b>25%</b>
Target Completion	<b>Q3 2025</b>



**Richmond & Churchill**  
*Ottawa, ON*

Suite Count	<b>177</b>
Commercial Sq. Ft.	<b>11,591</b>
Ownership	<b>100%</b>
Target Completion	<b>H2 2027</b>



**Burlington GO Lands**  
*Burlington, ON*

Suite Count	<b>P1-2: 1,526</b> <b>P3-4: 989</b>
Commercial Sq. Ft.	<b>P1-2: 20,081</b> <b>P3-4: 19,779</b>
Ownership	<b>25%</b>
Target Completion	<b>2032 (P1-2)</b>



**900 Albert Street**  
*Ottawa, ON*

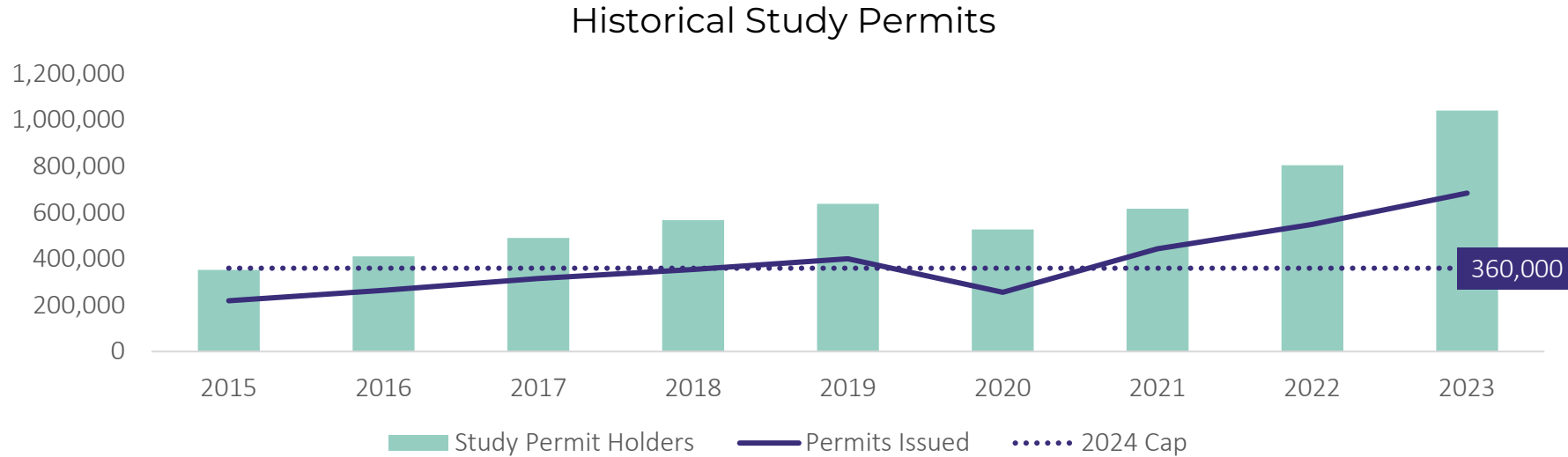
Suite Count	<b>1,241</b>
Commercial Sq. Ft.	<b>597,368</b>
Ownership	<b>50%</b>
Target Completion	<b>TBD</b>



# BUILDING RESILIENCE



# Portfolio Fundamentals: Our Student Resident Base



OUR PORTFOLIO

~15%

of our residents are students



>25%

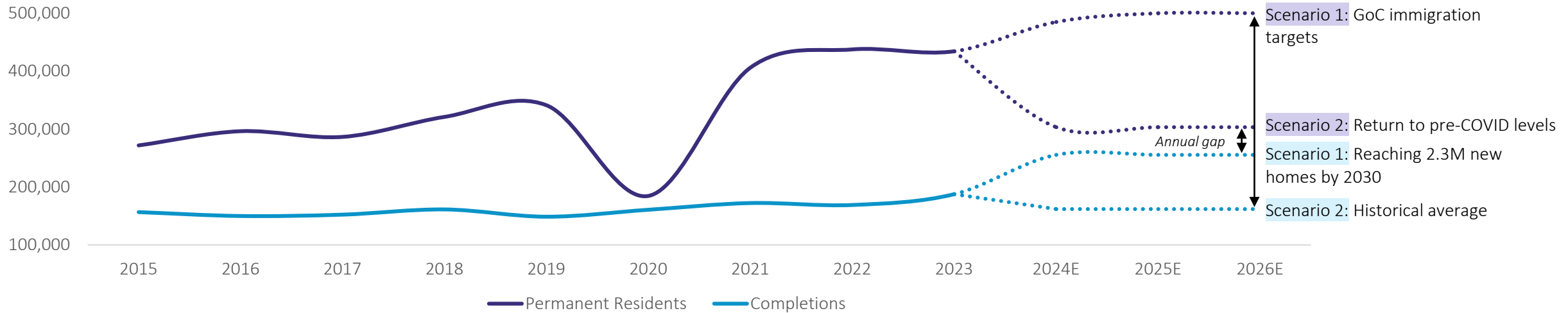
of our communities are located within 2km of a post-secondary institution

>50%

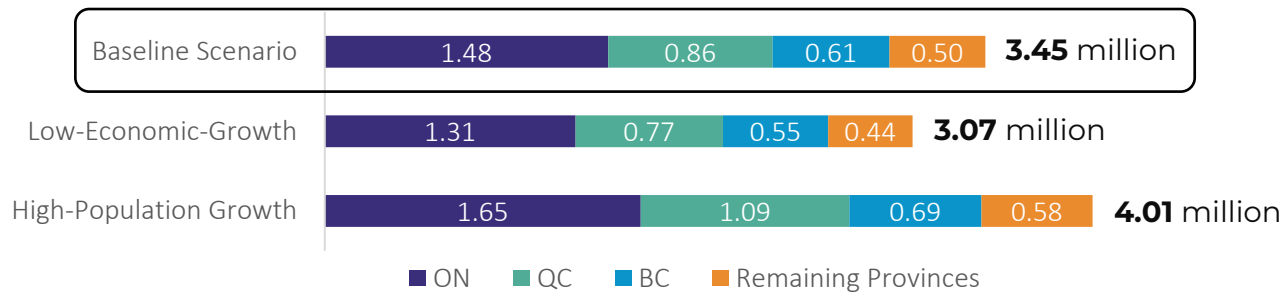
of our student residents live within these communities

# Market Fundamentals: Canada's Persistent Supply Gap

Annual Immigration & Housing Completions<sup>1</sup>



Projected Supply Gap in 2030<sup>2</sup>  
(in millions)



Even in a scenario with economic slowdown, CMHC forecasts a sizeable supply gap persisting in 2030, particularly concentrated in our three markets.



TSX:IIP.UN

## Why InterRent?

- Strong fundamentals support long-term top line growth.
- Proven record of industry-leading growth execution.
- Track record of value creation through reposition programs.
- Financial flexibility backed by strong balance sheet.
- Clear sustainability goals and continued progress.
- Development pipeline with trusted partners.



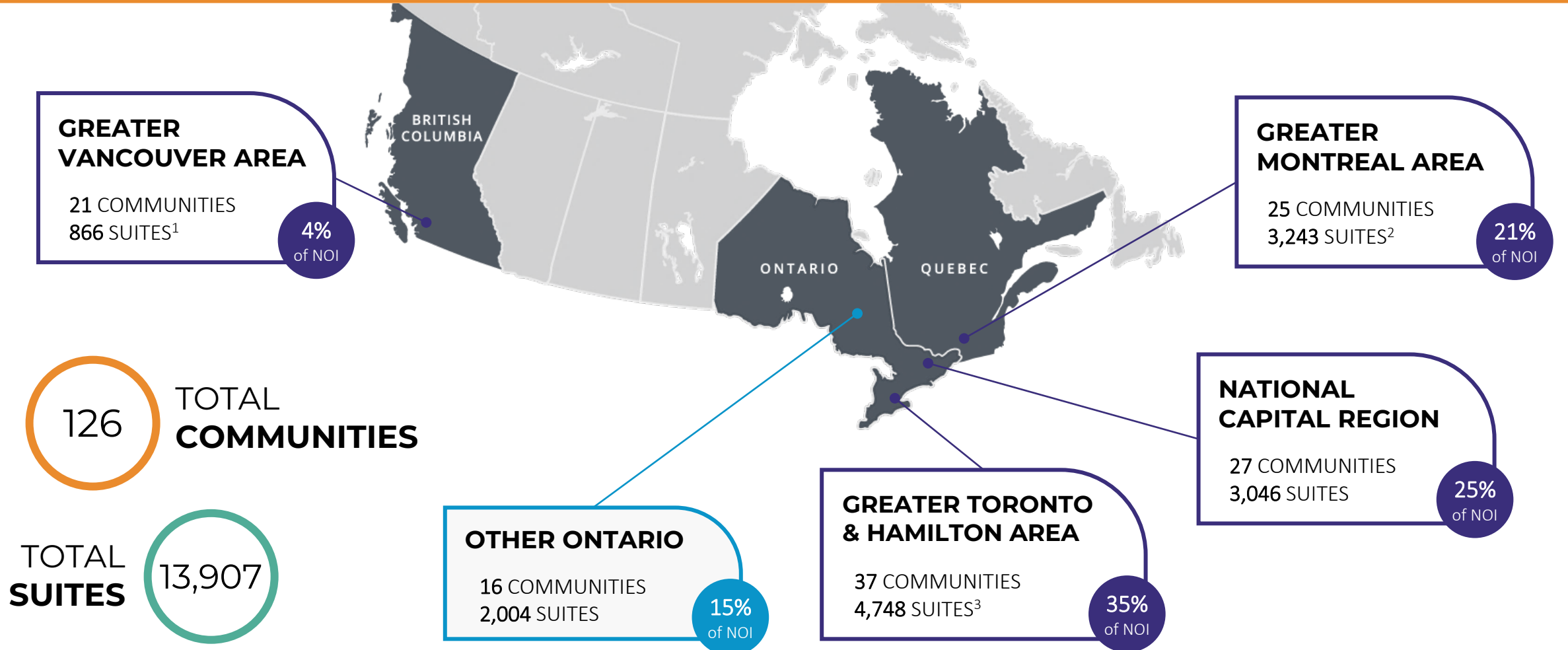
View our 2023 Annual Report on our website  
[irent.com](https://www.irent.com)



# APPENDIX



# Portfolio Map: A Provider of Homes in Urban, High-Growth Markets



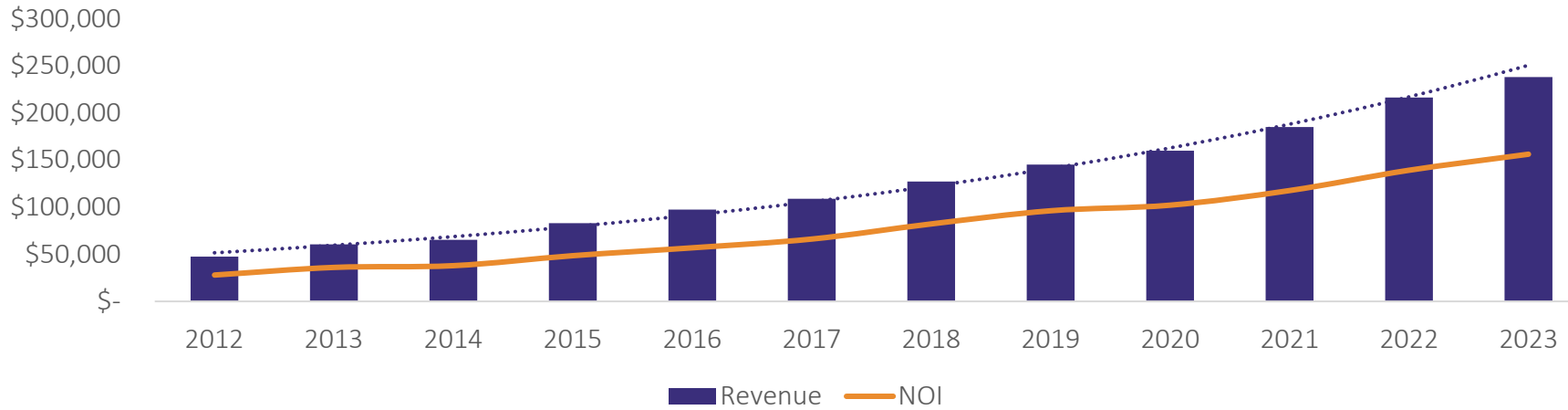
<sup>1</sup> Includes 100% of Vancouver portfolio of which InterRent's ownership interest is 50%.

<sup>2</sup> Includes 100% of a 254-suite community in Brossard of which InterRent's ownership interest is 50%.

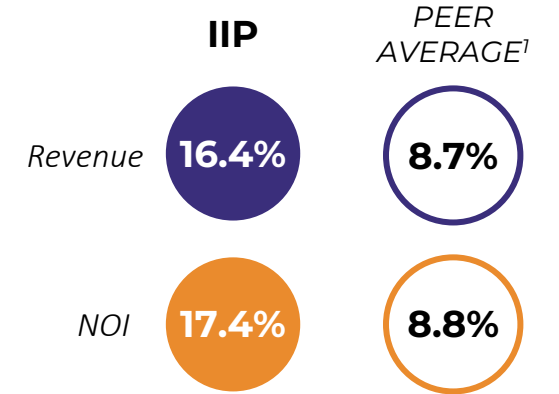
<sup>3</sup> Includes 100% of a 94-suite community in Mississauga and a 605-suite community in Brampton of which InterRent's ownership interest is 50% and 10%, respectively.

# Industry Leading Track Record

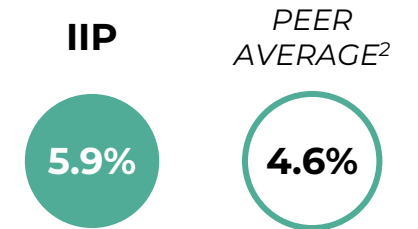
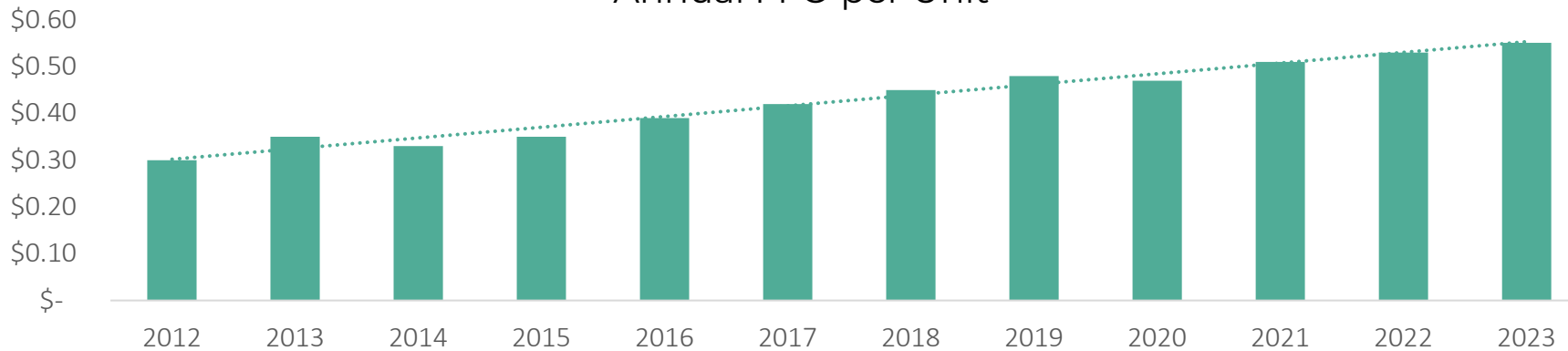
### Annual Revenue & Net Operating Income



### 10Y CAGR (2012-2022)



### Annual FFO per Unit



## 12<sup>th</sup> Consecutive Year of >5% Distribution Growth

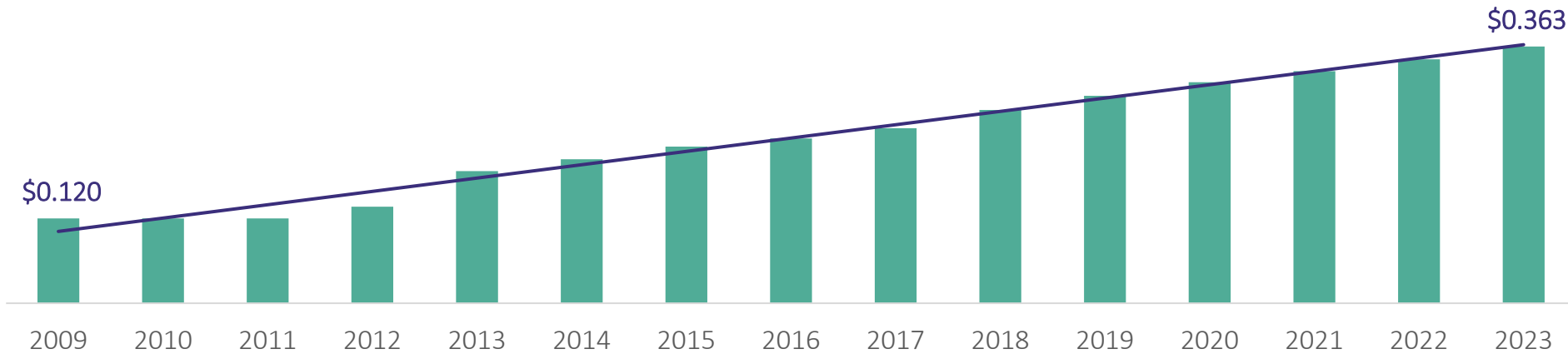
Our strategic focus on organic growth, property repositioning, and external expansion through acquisitions and development has yielded strong and sustainable results.

Monthly  
Distribution  
Increases

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
+33%	+26%	+10%	+5%	+5%	+11%	+7%	+7%	+5%	+5%	+5%	+5%

Our 2023 distribution increase, effective in November, marks our **12<sup>th</sup> consecutive year of growing our distribution by 5% or more.**

Our annual distribution has grown at a CAGR of **8.2%** since 2009



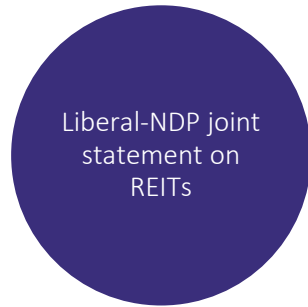
69.0%

AFCO Payout Ratio  
2023

# Progressing Towards Collaboration

We actively engage with governments at all levels, peers and interest groups to exchange industry insights and work together in tackling the housing supply challenge.

March 2022



June 2022



October 2022



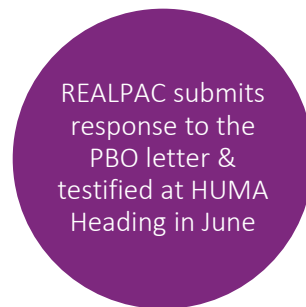
November 2022



April 2023



May 2023



September 2023



November 2023





# CONTACT US

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