

# Mainstreet



**MAINSTREET**  
EQUITY CORP.

Q4 2022 Investor Presentation

## Forward-Looking Information

Certain statements contained herein constitute “forward-looking statements” as such term is used in applicable Canadian securities laws. These statements relate to analysis and other information based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. In particular, statements concerning estimates related to the effect of the novel strain coronavirus (“COVID-19”) pandemic and governmental responses thereto on the Corporation and the economy, the effect of travel restrictions and post-secondary restrictions on the Corporation’s operations and financial performance and the timing of relaxation of the same, the effect of decreasing governmental financial support programs on the Corporation’s tenants and the effect that will have on the Corporation’s credit risk, the effect that COVID-19 will have on valuations of the Corporation’s properties, the effect of rising interest rates on the Corporation, the effect that inflation will have on the Corporation’s tenants and the effect on credit risk, as well as in respect of the cost of renovations and other expenses, geopolitical turmoil including the conflict in Ukraine effecting the global supply chain and energy and agricultural markets and effecting the global recovery from the pandemic, future acquisitions, dispositions and capital expenditures, future vacancy rates, increase of rental rates and rental revenue, future income and profitability, timing of refinancing of debt, access to low-cost long-term Canada Mortgage and Housing Corporation (“CMHC”) insured mortgage loans, the potential changes in interest and mortgage rates, the potential changes in inflation rates, completion timing and costs of renovations, benefits of renovations, funds to be expended on renovations in fiscal year 2022 and the sources thereof, increased funds from operations and cash flow, minimization of operating costs, the Corporation’s liquidity and financial capacity, improved rental conditions, potential increases in rental revenue if optimal operations achieved, the period of time required to stabilize a property, future climate change impact, the Corporation’s strategy and goals and the steps it will take to achieve them, the Corporation’s anticipated funding sources to meet various operating and capital obligations, key accounting estimates and assumptions used by the Corporation, the attraction and hiring of additional personnel, the effect of changes in legislation on the rental market, expected cyclical changes in cash flow, net operating income and operating margins, the effect of environmental regulations on financial results, the handling of any future conflicts of interests of directors or officers and other factors and events described in this document should be viewed as forward-looking statements to the extent that they involve estimates thereof. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions of future events or performance (often, but not always, using such words or phrases as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and should be viewed as forward-looking statements.

Forward-looking statements are based on management’s beliefs, estimates and opinions on the date the statements are made, and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions should change except as required by applicable securities laws.

### No Solicitation

The presentation is not a solicitation to purchase securities of the Corporation and should not be considered an offering or solicitation document to purchase securities of the Corporation.

# Why Invest in Mainstreet?



The mid-market multi-family apartment sector is one of the most resilient and safe asset classes



## A solid performer, continued organic non-dilutive growth since inception

- ✓ **Aligned shareholder interest: director and management ownership around 49%**
- ✓ We acquire underperforming mid-market apartment properties and reposition them in the market with **a mission to provide Quality Affordable Homes and improve the quality of life of Canadians**
- ✓ We are an add-value consolidator in the mid-market multi-family apartment market. We stabilize and implement revenue, operating and financing optimization strategies to achieve superior returns

### Mid-Market Characteristics

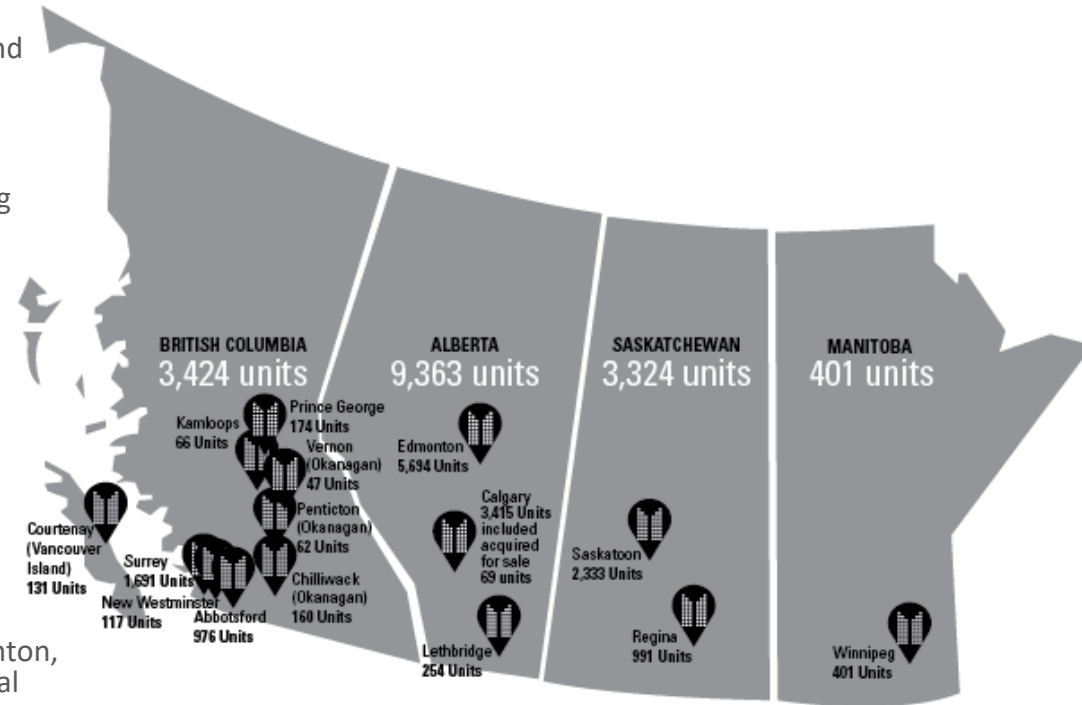
- Typically less than 100 units
- Fragmented private ownership
- Under-managed asset
- Deferred maintenance
- Owners have limited access to capital
- Higher vacancy / Lower rents

- ✓ We are constantly growing. YTD we own and manage 16,512\* apartment units and several warehouses in Surrey, Calgary, Edmonton, Saskatoon, Regina and Winnipeg and other commercial space; total fair market value \$2.9B

- ✓ ESG compliant with a focus on continuous improvement

- ✓ We are a Corporation not a REIT

- ✓ Listed on the TSX in 2000



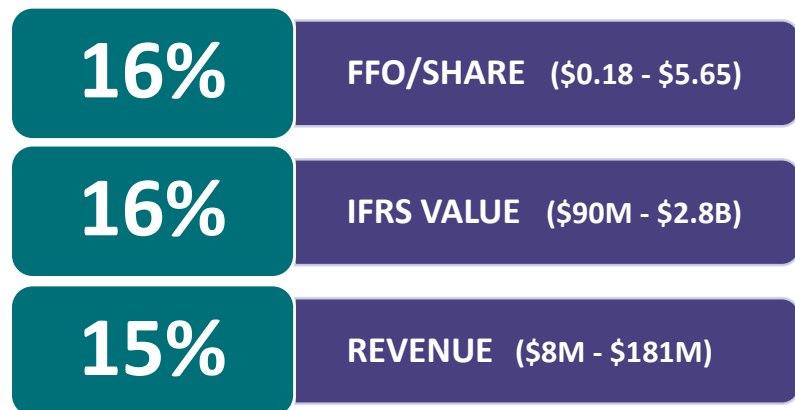
**YTD total apartment suites owned 16,512**

\*Including 69 condo units held for resale, 5 vacant lands and 4 commercial buildings

# A proven solid performer since listing on TSX in 2000



## 23 YEARS OF ORGANIC DOUBLE-DIGIT GROWTH WITH LIMITED EQUITY DILUTION (Annual Growth 2000 – 2022)



\*Compounded Annual Growth Rate (CAGR)



## GREAT CAPITAL ALLOCATOR TO MAXIMIZE SHAREHOLDER VALUE WITH NON-DILUTIVE GROWTH



**\$4.90 - \$121.59\*** /share

STOCK PRICE GROWTH (\*as at Dec 9, 2022)

Common Shares Outstanding

2022: 9,325,118

2000: 8,883,333

\*Exercise of Stock options

# Our Value Chain Business Model



## How does Mainstreet achieve its solid performance?



**ACQUISITIONS** Identify and buy under-performing rental units at prices well below replacement costs.

**CAPITAL IMPROVEMENTS** Increase the asset value of Mainstreet's portfolio by renovating acquired properties.

**OPERATIONAL EFFICIENCIES** Minimize operating costs through professional management, efficient technology and energy-saving equipment.

**VALUE ENHANCEMENT** Reposition renovated properties in the market, as a Mainstreet branded product, for higher rents, and build and maintain customer loyalty through high levels of service.

**FINANCING** Maintain a sound capital structure with access to capital markets.

**DIVESTITURES** Occasionally sell mature real estate properties to redirect capital into newer, higher potential properties.

Q4 2022, **13,618** units are stabilized out of the portfolio of **15,895** units

YTD: **16,512** units\*

(Including 69 condo units held for resale, 5 vacant lands and 4 commercial buildings)



14%  
Unstabilized

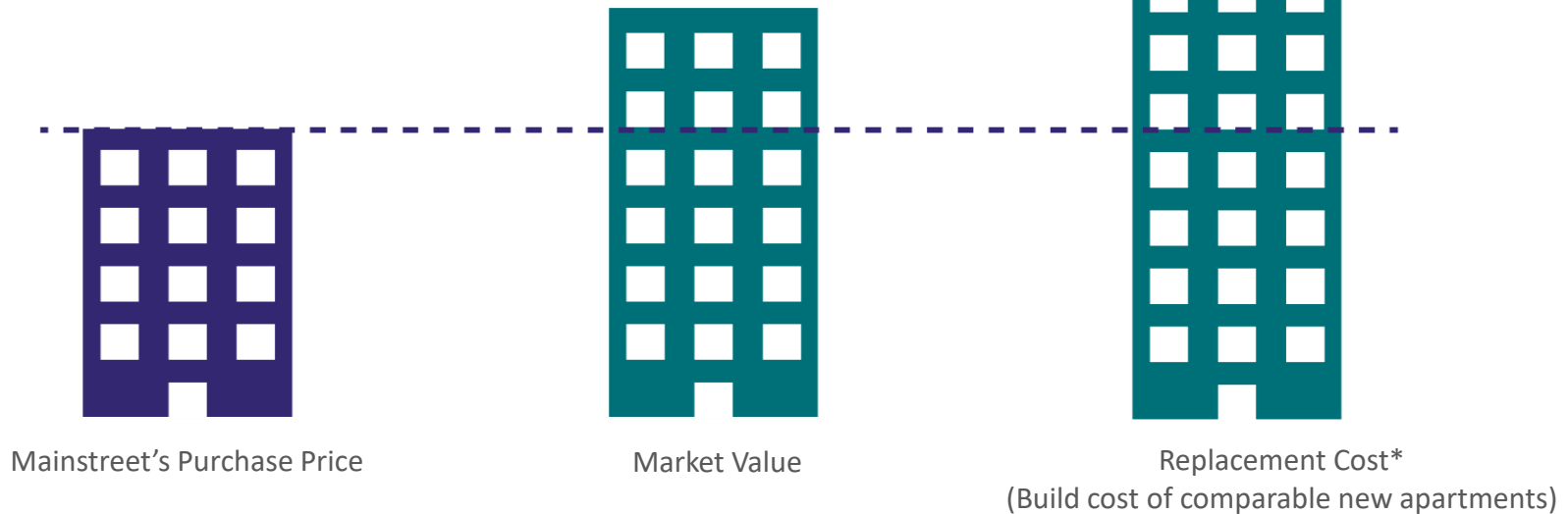


86%  
Stabilized

## Existing rental apartments trading significantly below replacement cost

### Management believes:

- ✓ Current market rents do not justify new construction due to high costs
- ✓ Increasing demand and limited supply will continue to create favourable rental market conditions



# Apartment Demand



<b>EDMONTON</b>	<p><b>Population Growth: 12,611</b> (2021) [15% of total rental universe]                      Rental Universe: <b>84,621</b> (2021)                      [Mid-market: <b>60,996</b> (72%) (2021)                      Vacancy Rate: <b>6.9%</b> (Oct 2021)</p>
<b>CALGARY</b>	<p><b>Population Growth: 14,467</b> (2021) [30% of total rental universe]                      Rental Universe: <b>49,037</b> (2021)                      [Mid-market: <b>30,067</b> (61%) (2021)                      Vacancy Rate: <b>4.9%</b> (Oct 2021)</p>
<b>REGINA</b>	<p><b>Population Growth: 173</b> (2021) [1% of total rental universe]                      Rental Universe: <b>14,765</b> (2021)                      [Mid-market: <b>13,602</b> (92%) (2021)                      Vacancy Rate: <b>6.8%</b> (Oct 2021)</p>
<b>SASKATOON</b>	<p><b>Population Growth: 2,894</b> (2021) [18% of total rental universe]                      Rental Universe: <b>16,123</b>(2021)                      [Mid-market: <b>13,794</b> (86%) (2021)                      Vacancy Rate: <b>4.6%</b> (Oct 2021)</p>
<b>WINNIPEG</b>	<p><b>Population Growth: 1,567</b> (2021) [2% of total rental universe]                      Rental Universe: <b>67,806</b> (2021)                      [Mid-market: <b>43,828</b> (65%) (2021)                      Vacancy Rate: <b>5.0%</b> (Oct 2021)</p>
<b>Lethbridge</b>	<p><b>Population Growth: 1,153</b> (2021) [28% of total rental universe]                      Rental Universe: <b>4,189</b> (2021)                      [Mid-market: <b>3,924</b> (94%) (2021)                      Vacancy Rate: <b>3.1%</b> (Oct 2021)</p>
<b>Prince George</b>	<p><b>Population Growth: 459</b> (2021) [14% of total rental universe]                      Rental Universe: <b>3,358</b> (2021)                      [Mid-market: <b>2,908</b> (87%) (2021)                      Vacancy Rate: <b>2.2%</b> (Oct 2021)</p>

All numbers obtained from  
 CMHC + Stats Canada  
 (CMHC calculations)



# Apartment Demand

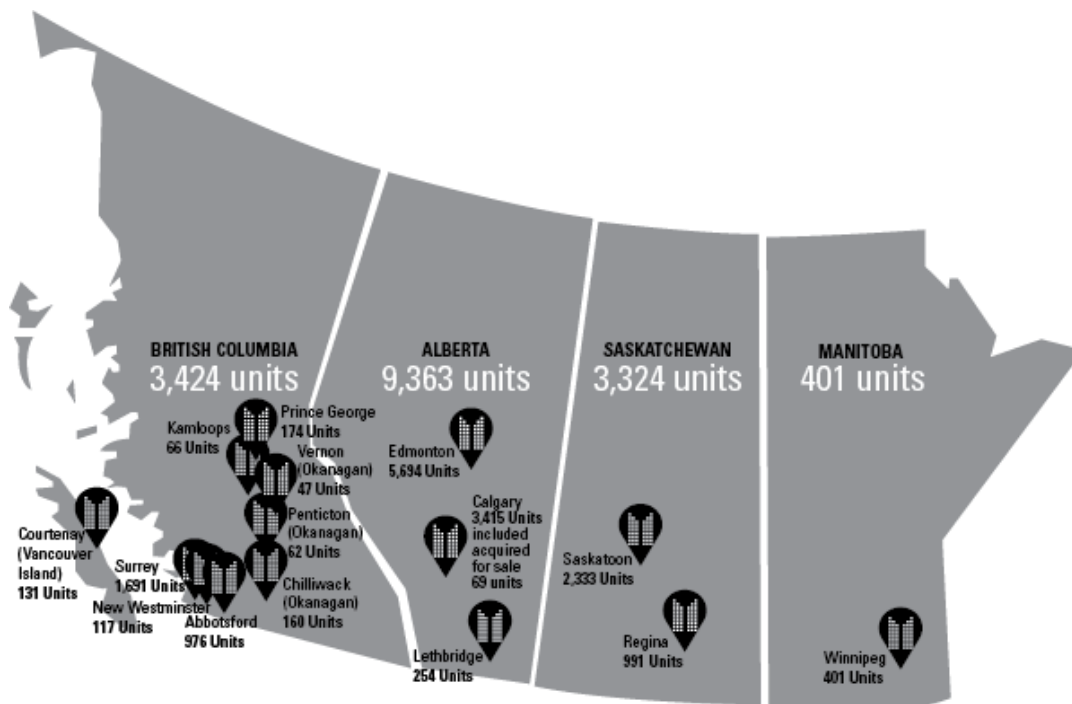


CHILLIWACK	<p><b>Population Growth: 2,727</b> (2021) [72% of total rental universe]                      Rental Universe: <b>3,775</b> (2021)                      [Mid-market: <b>3,775</b> (100%) (2021)                      Vacancy Rate: <b>1.3%</b> (Oct 2021)</p>
ABBOTSFORD	<p><b>Population Growth: 1,888</b> (2021) [40% of total rental universe]                      Rental Universe: <b>4,777</b> (2021)                      [Mid-market: <b>4,303</b> (90%) (2021)                      Vacancy Rate: <b>1.5%</b> (Oct 2021)</p>
SURREY	<p><b>Population Growth:</b> NA                      Rental Universe: <b>6,147</b> (2021)                      [Mid-market: <b>5,202</b> (85%) (2021)                      Vacancy Rate: <b>0.6%</b> (Oct 2021)</p>
KAMLOOPS	<p><b>Population Growth: 725</b> (2021) [16% of total rental universe]                      Rental Universe: <b>4,462</b> (2021)                      [Mid-market: <b>4,352</b> (98%) (2021)                      Vacancy Rate: <b>0.9%</b> (Oct 2021)</p>
PENTICTON	<p><b>Population Growth: 537</b> (2021) [21% of total rental universe]                      Rental Universe: <b>2,533</b> (2021)                      [Mid-market: <b>2,533</b> (100%) (2021)                      Vacancy Rate: <b>1.2%</b> (Oct 2021)</p>
VERNON	<p><b>Population Growth: 817</b> (2021) [38% of total rental universe]                      Rental Universe: <b>2,145</b> (2021)                      [Mid-market: <b>2,145</b> (100%) (2021)                      Vacancy Rate: <b>0.8%</b> (Oct 2021)</p>
COURTENAY	<p><b>Population Growth: 943</b> (2021) [48% of total rental universe]                      Rental Universe: <b>1,984</b> (2021)                      [Mid-market: <b>1,753</b> (88%) (2021)                      Vacancy Rate: <b>0.3%</b> (Oct 2021)</p>

All numbers obtained from  
 CMHC + Stats Canada  
 (CMHC calculations)

# Market Growth Potential

Mainstreet's strategy benefits from a large target market with less competition



**YTD total apartment suites owned 16,512**

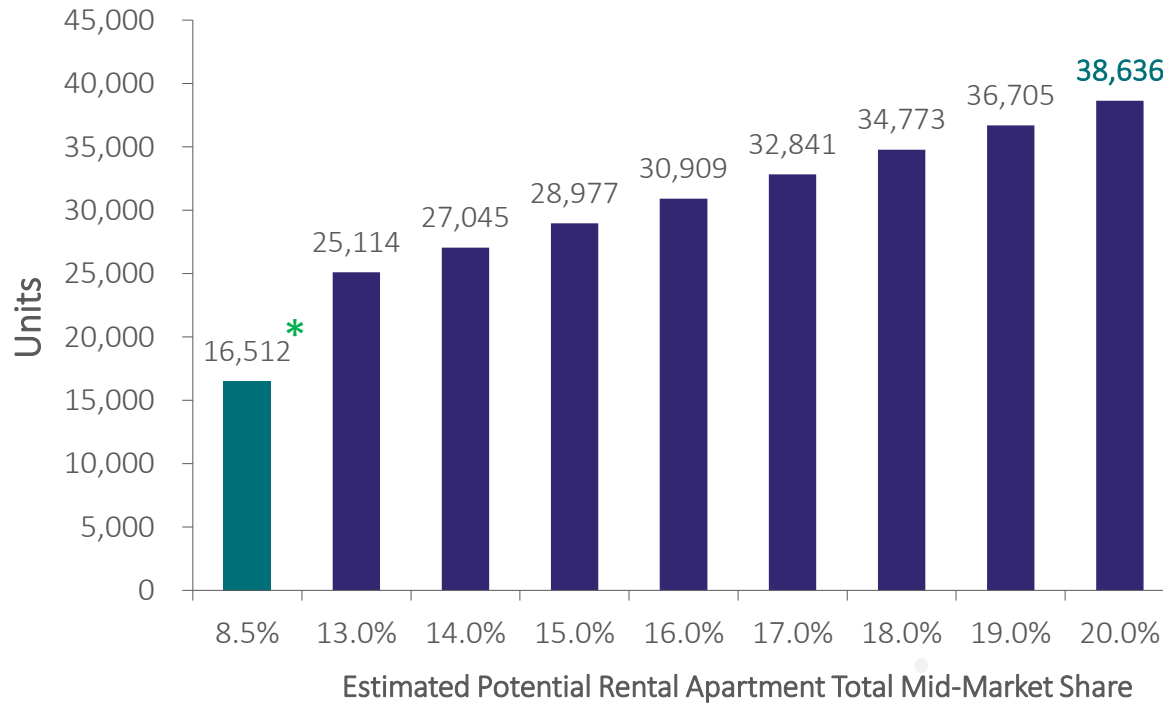
Target Markets Rental Apartment Universe

	<100 Units/ building	Total Rental Universe	% Mid-Market
Edmonton	60,996	84,621	72%
Calgary	30,067	49,037	61%
Regina	13,602	14,765	92%
Saskatoon	13,794	16,123	86%
Winnipeg	43,828	67,806	65%
Lethbridge	3,924	4,189	94%
Prince George	2,908	3,358	87%
Chilliwack	3,775	3,775	100%
Abbotsford	4,303	4,777	90%
Surrey	5,202	6,147	85%
Kamloops	4,352	4,462	98%
Penticton	2,533	2,533	100%
Vernon	2,145	2,145	100%
Courtenay	1,753	1,984	88%
<b>Mainstreet's Target Markets</b>	<b>193,182</b>	<b>265,722</b>	<b>73%</b>

\* Numbers obtained from CMHC

\* YTD

# Potential Target Market Growth



\* Numbers obtained from CMHC, the potential target markets include Edmonton, Calgary, Regina, Saskatoon, Winnipeg, Chilliwack, Abbotsford, Surrey, Kamloops, Penticton, Vernon, Courtenay, Prince George

\* YTD

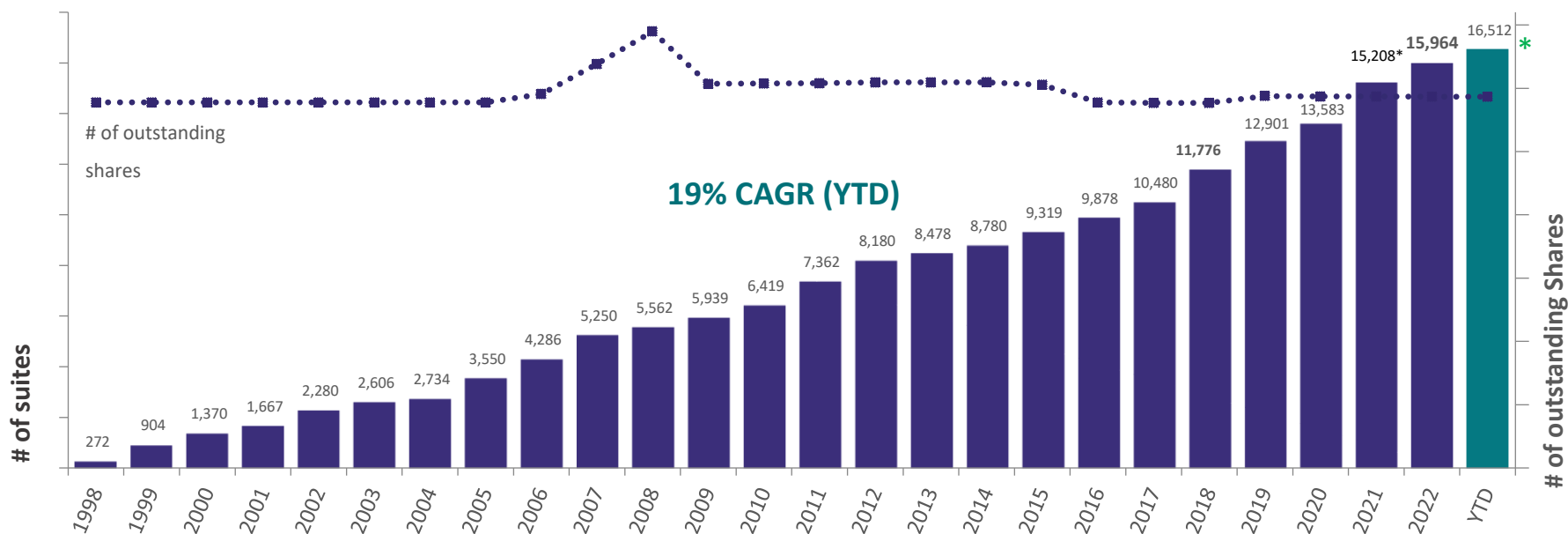
\*Including 69 condo units held for resale, 5 vacant lands and 4 commercial buildings

# A 'Value Creation' Company



## SIGNIFICANT GROWTH WITH LIMITED EQUITY DILUTION (YTD)

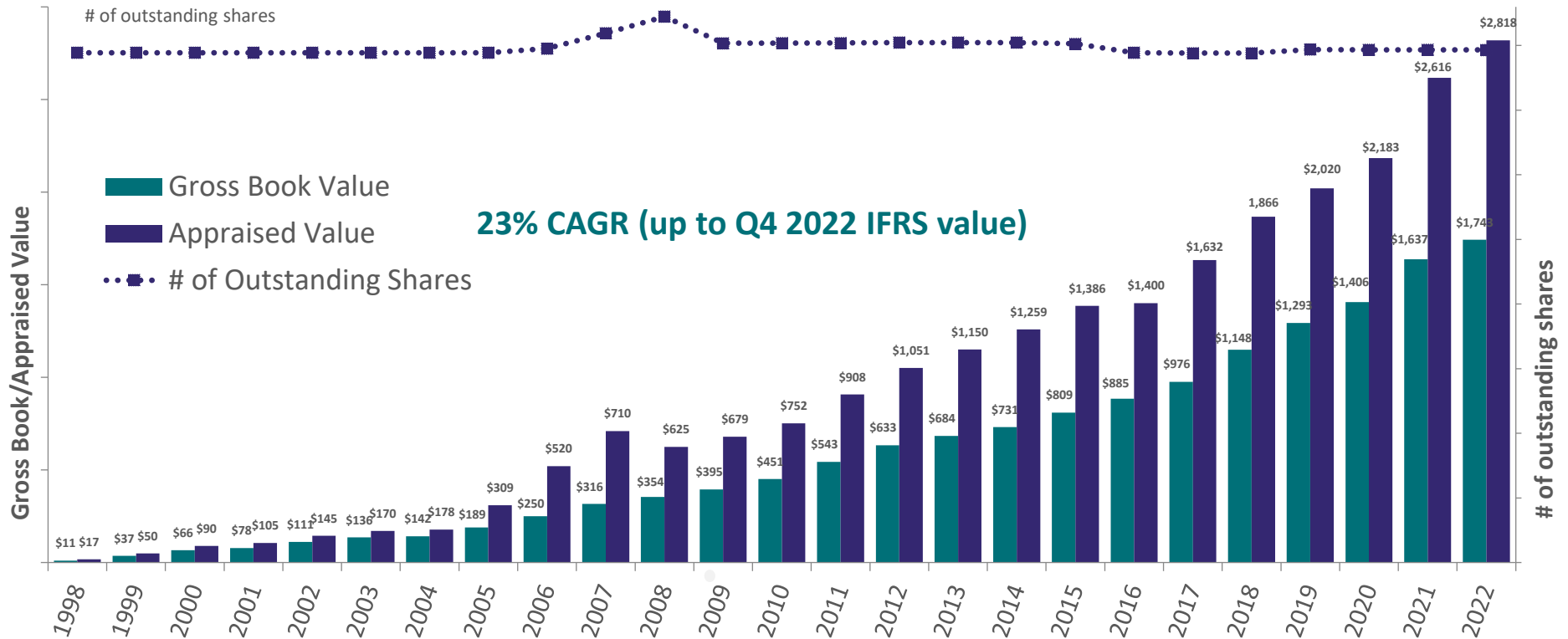
- Listed on the TSX in 2000, Mainstreet has grown its portfolio from 272 units with a market value of \$17 million to 15,893 units (YTD) with a market value of \$2.7B and limited equity dilution
- As at September 30, 2021 there were 9,345,218 common shares outstanding compared to 8,883,333 on the date of TSX listing
- From October 2006 to October 2010 we purchased 4.5 million shares through NCIB and SCIB, average price of \$6.87
- In 2016 we purchased 1.4 million shares through NCIB and SIB, average price of \$35.99
- In 2017 we purchased 53,569 shares through NCIB, average price of \$36.80
- In 2018 we purchased 3,659 shares through NCIB, average price of \$37.02
- In 2020 we purchased 31,900 shares through NCIB, average price of \$55.37
- In 2021 we purchased 4,612 shares through NCIB, average price of \$68.10
- In 2022 YTD, we have purchased 18,500 shares through NCIB, average price of \$113.24



\*Including 69 condo units held for sale, 5 vacant lands and 4 commercial buildings

Note: In October 2004, MEQ raised \$33m in 7.25% convertible debentures with a 7 year term and \$6.25 conversion price.

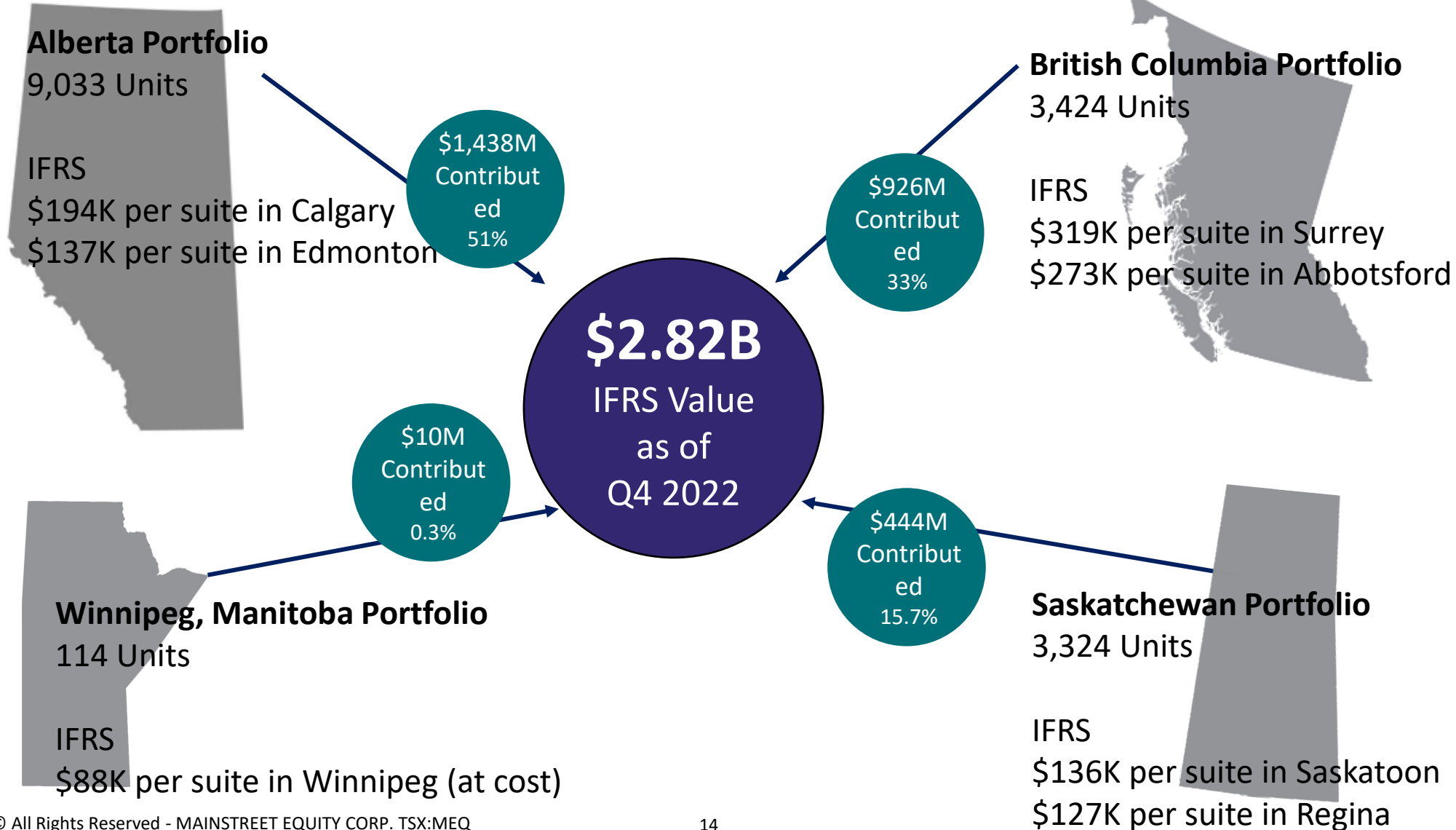
## ASSET GROWTH (\$M)



Mortgage loans outstanding as at September 30, 2022, \$1.47B. Net cash balance as at September 30, 2022, \$44.6M. Estimated Net Asset Value based on appraisal value of \$2.82B, as at September 30, 2022, \$1.39B (\$148 per basic share)

\* Numbers obtained from CMHC

# Diversified Portfolio



# 2023 Drivers: Optimum Potential NOI



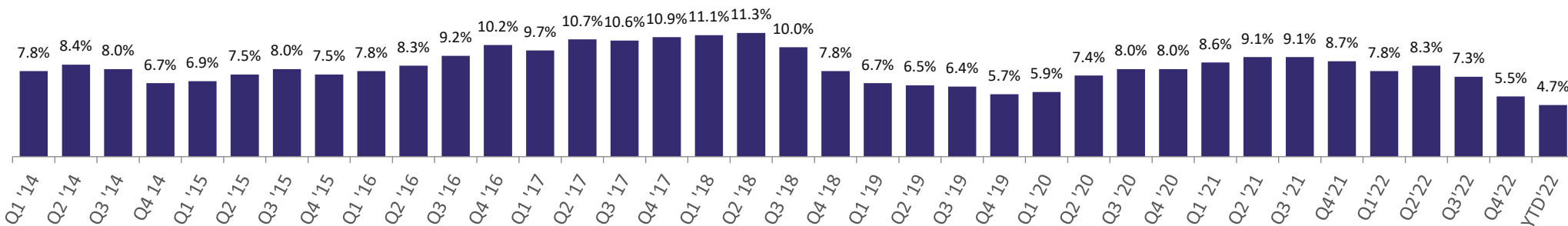
(in 000s)

	Annualized NOI based on Q4 2022 results	Annualized Additional NOI at 95% occupancy rate	Annualized Additional NOI without concession	Annualized Additional NOI at full market rent	5% inflationary adjustment on operating costs	Annualized Optimum potential NOI	Difference
Calgary	\$32,142	\$0	\$3,223	\$5,061	(\$864)	\$39,562	\$7,420
Edmonton	\$30,180	\$1,118	\$7,911	\$870	(\$1,332)	\$38,747	\$8,567
Surrey	\$22,398	0		\$13,764	(\$386)	\$35,776	\$13,378
Abbotsford	\$12,083			\$6,195	(\$207)	\$18,071	\$5,988
Regina	\$5,476	\$330	\$1,205	\$47	(\$212)	\$6,846	\$1,370
Winnipeg	\$498	\$91	\$12		(\$17)	\$584	\$86
Saskatoon	\$13,121	\$1,070	\$2,476	\$901	(\$523)	\$17,045	\$3,924
<b>Total from operations</b>	<b>115,898</b>	<b>2,609</b>	<b>14,827</b>	<b>26,838</b>	<b>-3,541</b>	<b>156,631</b>	<b>40,733</b>

- Stabilization of existing non-stabilized portfolio which equates to 14% of the total portfolio
- Achieve Optimum Potential Net Operating Income
- Estimated \$360M liquidity FY 2023

**Runway Left  
\$41M  
(Before rent increases)**

## Vacancy Rate (inclusive of unstabilized growth)



# 2023 Drivers – Mark to Market and Occupancy Potential



(in 000s, except vacancy and suite counts)

City	Stabilized Asset – Mark to Market Potential			Unstabilized Asset – Mark to Market Potential		
	Number of Stabilized Suites	Vacancy Rate Stabilized Portfolio	Stabilized Suites Mark to Market (including incentive reduction opportunity) per suite per month	Number of unstabilized Suites	Vacancy Rate unstabilized Portfolio	Unstabilized Suites Mark to Market (including incentive reduction opportunity) per suite per month
Calgary	3,031	2.28%	\$199	506	2.77%	\$244
Edmonton	4,565	6.29%	\$139	931	7.95%	\$160
Surrey	1,775	0.11%	\$580	338	4.14%	\$528
Abbotsford	976	0.92%	\$376	335	0.9%	\$524
Regina	938	4.48%	\$115	53	52.83%	\$73
Winnipeg	-	-	-	114	13.16%	\$123
Saskatoon	2,333	8.62%	\$132	-	-	-
<b>Total</b>	<b>13,618</b>	<b>4.48%</b>	<b>\$224</b>	<b>2,277</b>	<b>6.5%</b>	<b>\$277</b>

## Our stabilized vacancy rate is 4.5% as at Sep 30, 2022

- Neither Alberta or Saskatchewan are subject to rent control legislation
- In British Columbia, landlords are entitled to lease a suite to a new tenant at market rental rate
- Every 1% drop in vacancy rate equals \$2.0M increase in NOI
- Every \$10 adjustment in monthly net rent equals \$1.9M increase in NOI



# Risk Management



## CMHC INSURED MORTGAGES 2022

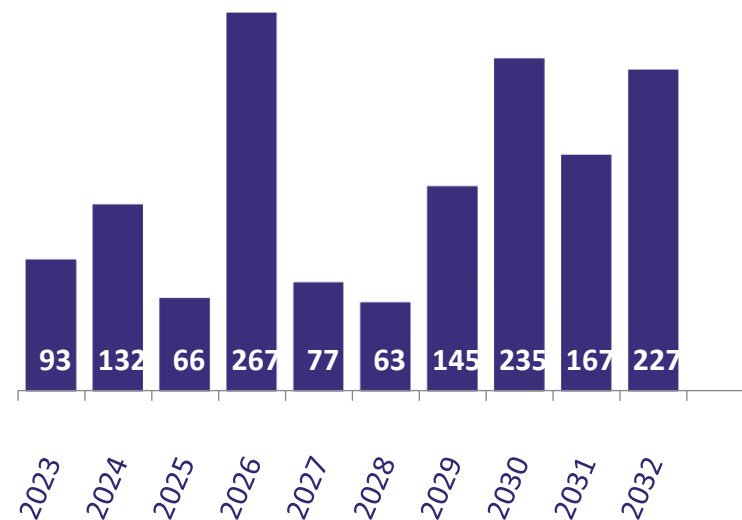
- As at September 30, 2022, Mainstreet’s outstanding mortgage balance was \$1,472M, of which \$1,456M (99%) is CMHC insured (fixed) at an average interest rate of 2.56%. The balance, \$16M, are conventional (fixed) mortgages at an average interest rate of 3.47%.

## LONG-TERM FIXED INTEREST MORTGAGES

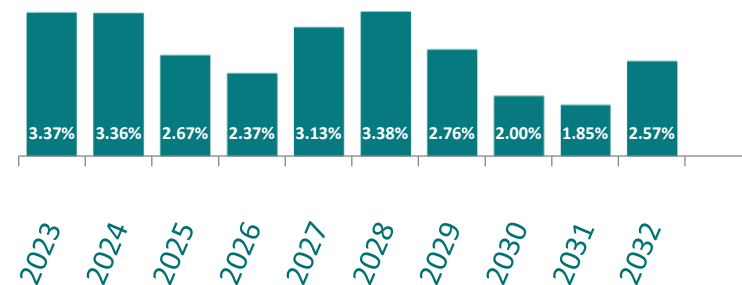
- 100% of Mainstreet’s mortgage is at fixed long-term rates

Interest Rate	Description	Debt (millions of dollars)
2.56%	Fixed CMHC	\$1,456
3.47%	Fixed non-CMHC	\$16
N/A	Floating-CMHC	0
2.57%	Total	\$1,472

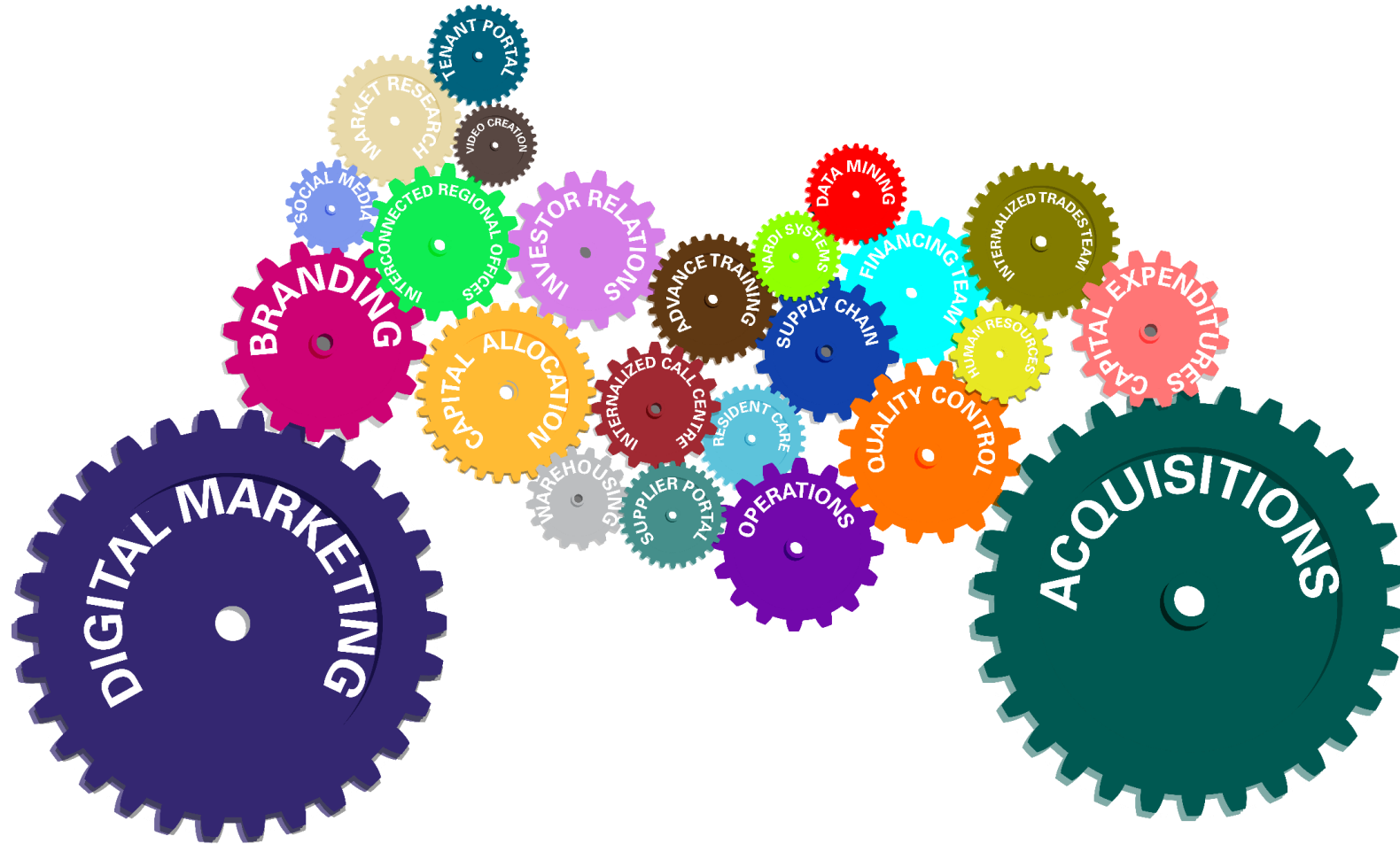
Mortgage Maturity as at September 30, 2022  
\$ millions



Avg. Interest rate



Average Term to Maturity: 6.2 years  
Weighted average rate: 2.57%



# 5 Pillar Competitive Advantage



1. Acquire underperforming assets at attractive prices.



2. Limited to no competition from REIT's and Pension Funds in the mid-market sector.



3. Internalized construction capabilities.

**= MARGINS**



4. Internalized operations platform / systems are scalable.



5. Internalized marketing and effective branding.

# The Mainstreet 'Spec'

# Mainstreet

## SUITE INTERIORS

- Tile & wood laminate flooring
- Fresh, low-VOC paint
- Venetian blinds
- Upgraded light fixtures
- Upgraded electrical outlets
- New door and closet hardware

## BRANDED ITEMS

- 360° exterior signage
- Common area rugs\*
- Interior door plaques
- Uniformed team members



## SECURITY

- Property security cameras\*
- Enhanced exterior door security
- Upgraded intercom systems



## KITCHEN

- Granite counter top\*
- Contemporary cabinets\*
- Water saving kitchen taps
- Energy Star appliances

## BUILDING ENVELOPES

- Double-pane energy-efficient windows\*
- Balcony door\*, railings, resurfacing
- New energy-efficient roofs
- New siding and insulation



# Mainstreet: Adding Value



Mainstreet Tower, Edmonton



Mainstreet Estates, Surrey



Sunalta 1913, Calgary



Mainstreet 1310 & 1320, Saskatoon



# Mainstreet: Adding Value



Saskatoon 1310, Saskatoon



Bow River Townhomes, Calgary



Avenue Tower, Calgary

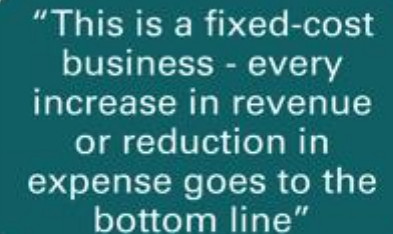


Queen's Park Townhomes, Calgary



## EXPENSE REDUCTION

1. **Mainstreet's aggressive renovation program** has resulted in significant expense reductions in key areas such as:
  - Electrical (install compact fluorescent bulbs: LED bulbs for emergency exit signs)
  - Water ('Ultra-high efficiency' toilets; low-flow aerators installed on showers and all taps)
  - Install energy efficient windows / exterior (new siding) / new insulation
2. **Averaging 40% savings by installing energy saving water flow devices** (Installed in most Saskatoon properties and currently installing in Calgary, Edmonton and Abbotsford portfolios)
3. **Averaging 30% savings by installing LED lights** (9 watt vs 60 watt) in all properties across Western Canada
4. **Estimated 30% savings in gas consumption by installing EndoTherm™** (Pilot test in 22 properties in Alberta)
5. **The majority of existing units have been upgraded with energy efficient devices**
6. **Sub-metering all properties that are not currently set-up in this manner; savings on utilities for MEQ**
7. **Ability to achieve economies of scale:**
  - Fixed price gas contracts
  - National deal on bulk purchasing discount for construction supplies
8. **Automated withdrawal of monthly rents**
9. **Software** ('real-time', web-based, national operations system)
10. **Advertising & Marketing** (reduced costs by: internalizing marketing and advertising; shift advertising from print to online; invest in company website to drive rentals)
11. **Financial Reporting** (internalize design and production for annual and quarterly reports)



"This is a fixed-cost business - every increase in revenue or reduction in expense goes to the bottom line"



## Higher operating margins versus larger concrete complexes

- ☑ Low rise properties have relatively less operating expenses such as:
  - Limited or no elevator maintenance
  - No repairs to, heating or maintenance of underground parking garage
  - Amenities

## Lower realty taxes versus larger structures

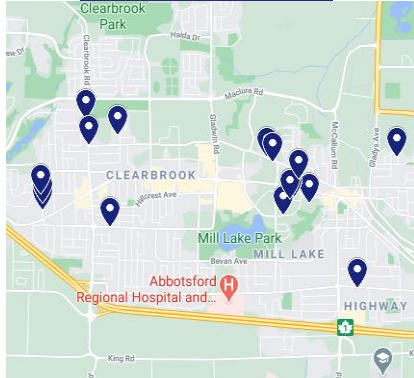
### ☑ Lower hydro cost resulting from

- ☑ Elimination of heating/heat loss from elevator shafts
- ☑ Elimination of heating of underground parking garages
- ☑ Less common areas to heat and cool

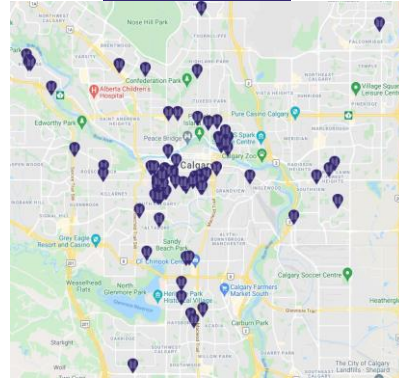




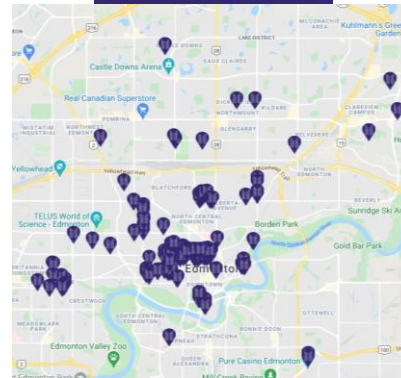
**Abbotsford**



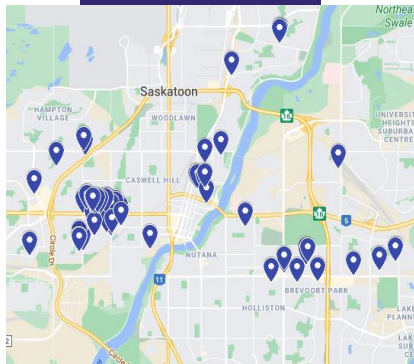
**Calgary**



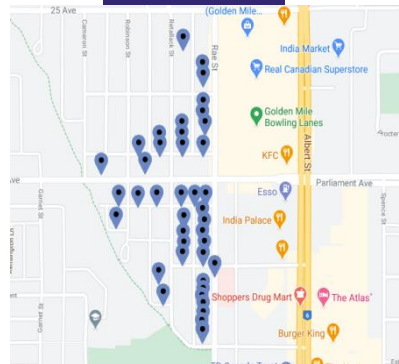
**Edmonton**



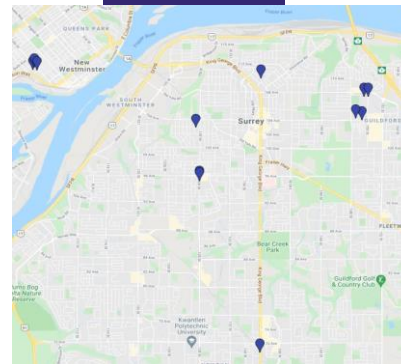
**Saskatoon**



**Regina**



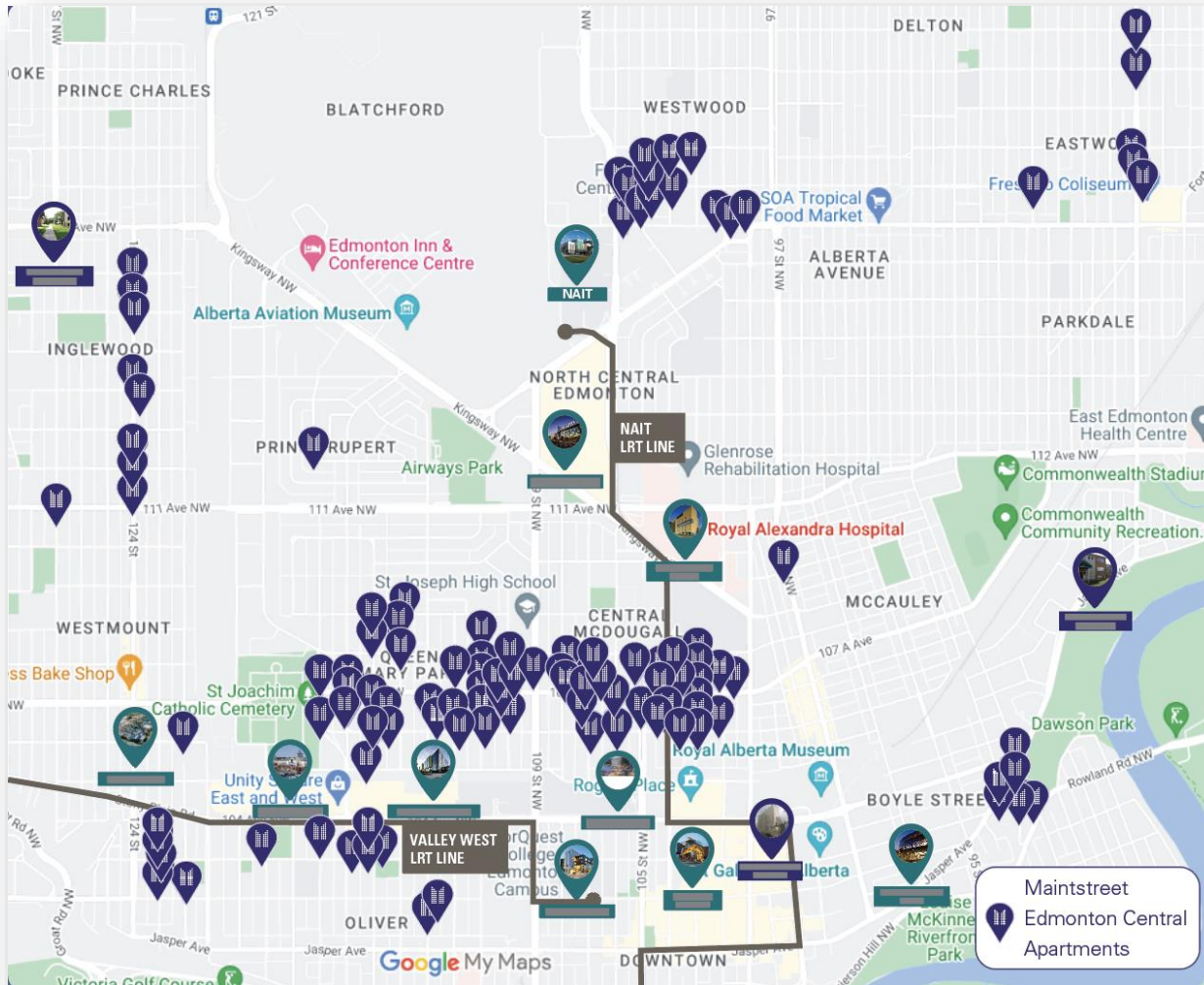
**Surrey**



By clustering assets, Mainstreet maximizes efficiencies and growth, transforming a single asset into a network of apartment complexes

We achieved this through:

- ✓ Clustering assets within a 5 block radius
- ✓ Requiring fewer resident managers leading to reduced HR costs
- ✓ Reduce the cost of having multiple property maintenance contracts
- ✓ Create dominant brand recognition in neighbourhoods to reduce advertising costs



## CONTINUED EXPANSION OF INNER-CITY EDMONTON



**156 Properties**



**5,694 Units**

\* Includes Fort Saskatchewan

## RESIDUAL LAND

- **Surrey Residual Land**
- Ashley Court - Surrey, BC **High Density Residential Land**
- Greenwood Gardens - Surrey, BC **High Density Residential Land**
- Imperial Court - Surrey, BC **High Density Residential Land**
- 33263 Bourquin Cres. - Abbotsford, BC **Development Lot**
- Edmonton - Wellington **(14.52 Acres)**
- Trevella Park Townhomes - Calgary, AB **(~14 Acres of high density residential land)**
- Highland Park Townhomes - Lethbridge, AB **(13.1 Acres of high density residential land)**
- West Meadow Apartments – Saskatoon, SK **(9.4 Acres)**
- Mainstreet Village - Edmonton, AB **(6.65 Acres of high density residential land)**
- Queen’s Park - Calgary, AB **(6.62 Acres)**
- Bow River Townhomes **River** – Calgary, AB **(6.4 Acres)**
- Premier City Park - Edmonton, AB **(5.45 acres of land in ICE District)**
- Mainstreet Courtenay Apartments – Courtenay, BC **(4.94 Acres)**
- Cedarbrae (including daycare) - Calgary, AB **(3.92 Acres)**
- Kamloops **River Frontage (3.4 Acres)**
- Dover - Calgary, AB **Residual Land (2.28 Acres)**
- Regina Warehouse + Land **(1.25 Acres)**
- Vernon **Development Lot (.55 Acres)**
- Rockwood Portfolio Development Lots – Edmonton, AB **(.34 Acres)**
- Regina Parliament Lot **Development Lot (.31 Acres)**
- Rockwood Office + Commercial – Edmonton, AB **(8,988 sq. ft)**
- Edmonton Office + Warehouse **(7,502 sq. ft)**
- Saskatoon 20<sup>th</sup> Street Lot **Development Lot (5,851 sq. ft)**
- Marda Loop House – Calgary, AB **(4,200 sq. ft)**
- The Junction - Calgary, AB **Development Lot Inglewood (3,067 sq. ft)**



MEQ owns 3 houses and 1 tower near Scotiabank Saddledome, Calgary  
Potential to redevelop land + 1 apartment building

MEQ is in the process of transforming obsolete retail space into an additional 14 suites in Edmonton, Calgary and Abbotsford.

# Townhouse & Condo Conversion Value



## CONDOMINIUM CONVERSION

The opportunity exists to convert the existing portfolio into condominiums, in particular for the following townhouse complexes in Alberta and condo-titled properties in BC:

### Alberta

#### Townhouses

- Queen's Park – Calgary
- Trevella Park – Calgary
- Bannerman Terrace – Edmonton
- Clareview Court – Edmonton
- Lauderdale – Edmonton
- Wedgewood – Edmonton
- Wellington – Edmonton
- Highland Park – Lethbridge

#### Condo Spec

- Crescent Heights View – Calgary

### British Columbia (Abbotsford)

- Hanna Estates
- Pinetree complex
- Sunshine complex
- Villa Christina



## ENVIRONMENTAL

- **Environmental Consultation**

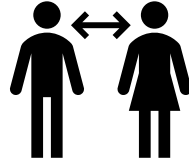
Committed to implementing best environmental practices suggested by independent environmental consultants

- **Energy & Water Efficiency**

- Led Lighting at 40% average leadership
- Savings Canada wide
- 30% savings in gas consumption by installing EndoTherm in numerous Albertan properties
- 40% savings in areas where new water flow devices have been installed

- **Recycling Program**

Waste reduction initiatives e.g. Diabetes Canada tenant clothes recycling program



## SOCIAL

- **Health & Safety**

- Competitive employee health benefits
- Enhanced Covid protocols for employees and tenants

- **Partnering & Participation**

- Housing Assistance Programs
- Partnering with Calgary Housing, Mustard Seed & Homeless Society
- Rent deferrals and fee waivers during Covid Pandemic

- **Employee Growth & Development**

- Prioritizing on-the-job, internal and academic training
- Internal promotion actively encouraged
- Annual employee evaluations
- Best HR practices include strong multi-cultural and non-discriminatory hiring



## GOVERNANCE

- **Risk Management**

- Audit Committee
- Whistle Blower Policy
- Cyber Security

- **Diversity**

- Gender balanced leadership
- Specialized sub-committees

- **Good Governance**

- High ethical standards through a strong governance framework, overseen by a highly experienced Board of Directors
- Chairman of Board and CEO separated

## **CONTENTS**

**Value-Add Case studies: page 31 – 35**

**Acquisitions: page 36 - 43**

## Vancouver Lower Mainland (Surrey), BC

- Mainstreet Estates

## Edmonton, AB

- Mainstreet Park

## Calgary, AB

- Huntsville

## Saskatoon, SK

- West Meadow



# Value-Add Model: Mainstreet Estates, Surrey, BC



Mainstreet purchased the above property (331 units with 5 buildings) in January 2015. It took approximately 6 months to complete the stabilization process; we financed the property in November 2016.

Financial results for the property before and after stabilization and financing are summarized as follows:



(000's)	
Purchase price	33,650
Capital expenditure	3,928
Total investment including capital expenditure	37,578
Mortgage loan after financing	36,908
Equity invested	678
Return on equity (NOI)	345%

	At acquisition	After stabilization	% increase
Annualized rental income	1,900	3,485	83%
Annualized NOI	69	2,340	3,291%
Appraised value		51,400	
<b>Value created</b>		<b>17,750</b>	<b>30%</b>



# Value-Add Model: Mainstreet Park, Edmonton, AB



Mainstreet purchased the above property (178 units) in August 2016. It took approximately 12 months to complete the stabilization process; we financed the property in November 2017.

Financial results for the property before and after stabilization and financing are summarized as follows:

(000's)	
Purchase price	13,350
Capital expenditure	2,142
Total investment including capital expenditure	15,492
Mortgage loan after financing	19,865
Equity extracted	(4,373)
Return on equity (NOI)	Infinite

	At acquisition	After stabilization	% increase
Annualized rental income	632	2,095	231%
Annualized NOI	(281)	1,373	Infinite
Appraised value		26,700	
<b>Value created</b>		<b>11,208</b>	<b>72%</b>



# Value-Add Model: Huntsville, Calgary, AB

Mainstreet purchased the above property (52 units) in April 2012. It took approximately 29 months to complete the stabilization process; we financed the property in September 2014.

Financial results for the property before and after stabilization and financing are summarized as follows:

(000's)	
Purchase price	5,500
Capital expenditure	1,160
Total investment including capital expenditure	6,600
Mortgage loan after financing	6,759
Equity extracted	(99)
Return on equity (NOI)	Infinite

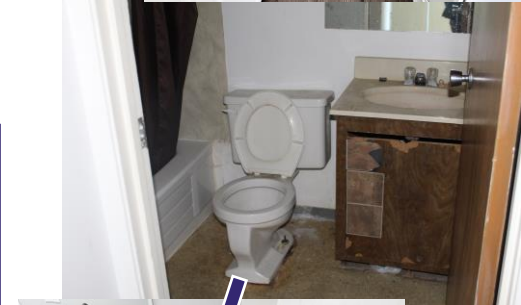
	At acquisition	After stabilization	% increase
Annualized rental income	Nil	743	Infinite
Annualized NOI	Nil	586	Infinite
Appraised value		12,100	
<b>Value created</b>		<b>5,440</b>	<b>82%</b>



# Value-Add Model: West Meadow, Saskatoon, SK

Mainstreet purchased the above property (240 units) in June 2019. It took approximately 16 months to complete the stabilization process; we financed the property in September 2020.

Financial results for the property before and after stabilization and financing are summarized as follows:



(000's)	
Purchase price	19,000
Capital expenditure	1,010
Total investment including capital expenditure	20010
Mortgage loan after financing	24956
Equity extracted	(4,946)
Return on equity (NOI)	Infinite

	At acquisition	After stabilization	% increase
Annualized rental income	2,049	2,937	43%
Annualized NOI	1,175	1,952	66%
Appraised value		32,190	
<b>Value created</b>		<b>12,180</b>	<b>61%</b>

# 2020 Acquisitions



## Q1 2020 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Calgary	4311 75 St NW	8	\$1,040,000	\$1,130,000	\$130,000
Saskatoon	1306 20 St W	-	\$150,000	TBD	N/A
Saskatoon	1310 20 St W	44	\$770,000	TBD	\$17,500
Saskatoon	1320 20 St W	10	\$400,000	\$1,620,000	\$40,000
Edmonton	10719 110 St NW	23	\$1,918,000	\$2,730,000	\$83,391
Kamloops	627 Lilac Ave	48	\$7,000,000	TBD	\$145,833
Saskatoon	#18, 2309 17 St W	1	\$37,000	\$132,353	\$37,000
<b>TOTAL Q1 2020</b>		<b>134</b>	<b>\$11,315,000</b>		

## Q2 2020 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Calgary	333 4 Ave NE	16	\$2,130,000	TBD	\$133,125
Edmonton	13220 & 13528 140 St NW	220	\$34,000,000	\$42,000,000	\$154,545
Calgary	1711 26 Ave SW	18	\$2,605,000	\$3,230,000	\$144,722
Saskatoon	#308, 601 Ave X S	1	\$37,000	\$132,353	\$37,000
Saskatoon	111 111 St W	24	\$1,872,000	TBD	\$78,000
<b>TOTAL Q2 2020</b>		<b>279</b>	<b>\$40,644,000</b>		

# 2020 Acquisitions



## Q3 2020 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Calgary	1624 16 Ave SW	28	\$3,360,000	TBD	\$120,000
Edmonton	10730 102 St NW	33	\$2,000,000	TBD	\$60,606
<b>TOTAL Q3 2020</b>		<b>61</b>	<b>\$5,360,000</b>		

## Q4 2020 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Calgary	501 40 Ave NW	188	\$30,500,000	TBD	\$162,234
Cochrane	104 1 St E	17	\$1,750,000	TBD	\$102,941
Saskatoon	#16, 2309 17 St W	1	\$37,000	\$132,353	\$37,000
Saskatoon	#305, 525 Ave X S	1	\$35,000	\$132,353	\$35,000
<b>TOTAL Q4 2020</b>		<b>207</b>	<b>\$32,322,000</b>		

# 2021 Acquisitions



## Q1 2021 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Saskatoon	#103, 529 Ave X S	1	\$24,000	\$132,353	\$24,000
Kamloops	196 Yew St	18	\$2,300,000	TBD	\$127,778
Regina	3525 Avonhurst Dr	72	\$7,459,000	TBD	\$103,597
Winnipeg	314 Broadway	87	\$7,330,000	TBD	\$84,253
<b>TOTAL Q1 2021</b>		<b>178</b>	<b>\$17,113,000</b>		

## Q2 2021 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Calgary	1224 14 Ave SW	32	\$4,900,000	TBD	\$153,125
Calgary	1127 17 Ave NW	18	\$2,600,000	TBD	\$144,444
Penticton	144 Brunswick St	38	\$5,250,000	TBD	\$138,158
Courtenay	1970 Fitzgerald Ave	131	\$14,000,000	TBD	\$106,870
<b>TOTAL Q2 2021</b>		<b>219</b>	<b>\$26,750,000</b>		

# 2021 Acquisitions



## Q3 2021 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Chilliwack	46180 Bole Ave	45	\$6,717,000	TBD	\$149,267
Chilliwack	46155 Bole Ave	48	\$7,114,000	TBD	\$148,208
Chilliwack	9275 Mary St	42	\$6,469,000	TBD	\$154,024
Penticton	769 Winnipeg St	24	\$3,400,000	TBD	\$141,667
Vernon	3501 Centennial Dr	47	\$5,500,000	TBD	\$117,021
Calgary	116 & 122 12 Ave NW	23	\$3,030,000	TBD	\$131,739
Calgary	1720 10a St SW	16	\$2,138,000	TBD	\$133,625
Edmonton	10730 105 St NW	20	\$1,635,000	TBD	\$ 81,750
Calgary	8880 Horton Rd SW (Held for sale)	136	\$22,440,000	TBD	\$165,000
Calgary	1722 5a St SW	18	\$2,556,000	TBD	\$142,000
Edmonton	8515 112 St NW	329	\$44,150,000	TBD	\$129,179*
Edmonton	10175 & 10187 113 St	58	\$6,265,000	TBD	\$108,017
Edmonton	11302 & 11310 109 Ave NW	112	\$10,640,000	TBD	\$ 95,000
<b>TOTAL Q3 2021</b>		<b>918</b>	<b>\$122,054,000</b>		

\*Net retail has been discounted

# 2021 Acquisitions



## Q4 2021 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
New Westminster	1205 - 1207 4 Ave	33	\$6,600,000	TBD	\$200,000
Chilliwack	46109 Gore Ave	25	\$3,750,000	TBD	\$150,000
Saskatoon	#205, 529 Ave X S	1	\$17,900	TBD	\$17,900
Calgary	832 4A St NE	12	\$1,670,000	TBD	\$139,167
Calgary	1826 17 St SW	12	\$1,913,222	TBD	\$159,435
Calgary	641 Meredith Rd NE	19	\$3,029,268	TBD	\$159,435
Calgary	1837 11 Ave SW	10	\$1,594,351	TBD	\$159,435
Calgary	306 21 Ave SW	16	\$2,550,962	TBD	\$159,435
Calgary	1216 14 St SW	14	\$2,232,092	TBD	\$159,435
Calgary	4315 73 St NW	6	\$956,611	TBD	\$159,435
Calgary	4347 73 St NW	7	\$1,116,046	TBD	\$159,435
Calgary	2124 15 St SW	11	\$1,753,787	TBD	\$159,435
Calgary	1440 Memorial Dr NW	30	\$4,783,054	TBD	\$159,435
Calgary	2131 17 St SW	8	\$1,275,481	TBD	\$159,435
Calgary	1701 35 St SE	26	\$4,145,314	TBD	\$159,435
Calgary	609 2 Ave NE	24	\$3,826,444	TBD	\$159,435
Calgary	1626 15 Ave SW	28	\$4,464,184	TBD	\$159,435
Calgary	2109 17 St SW	28	\$4,464,184	TBD	\$159,435
<b>TOTAL Q4 2021</b>		<b>310</b>	<b>\$50,142,900</b>		



# 2022 Acquisitions



## Q1 2022 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Edmonton	Multiple	232	\$20,000,000	TBD	\$78,261*
Edmonton	10245 & 10255 Alex Taylor Rd	27	\$2,500,000	TBD	\$92,593
Calgary	316 18th Ave SW	10	\$1,460,000	TBD	\$146,000
<b>TOTAL Q1 2022</b>		<b>269</b>	<b>\$23,960,000</b>		<b>\$82,247</b>

\*including 2 commercial buildings and 2 lots – allocation \$2M

# 2022 Acquisitions



## Q2 2022 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Lethbridge	125 Columbia Blvd W	20	\$2,400,000	TBD	\$120,000
Calgary	234 21 Ave SW	16	\$2,500,000	TBD	\$156,250
Calgary	111 & 117 24 Ave SW	32	\$5,120,000	TBD	\$160,000
Edmonton	16316 106A Ave	46	\$5,500,000	TBD	\$119,565
Calgary	1726 7St SW	16	\$2,456,000	TBD	\$153,500
Saskatoon	#303, 529 Ave X S	1	\$35,000	TBD	\$35,000
Calgary	312 3 Ave NE	27	\$4,455,000	TBD	\$165,000
Prince George	791 Ahbau St	108	\$12,950,000	TBD	\$119,907
<b>TOTAL Q2 2022</b>		<b>266</b>	<b>\$35,429,785</b>		<b>\$133,195</b>

## Q3 2022 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Prince George	1601 & 1617 Queensway	42	\$4,300,000	TBD	\$102,381
Prince George	1588 Juniper St	24	\$2,870,000	TBD	\$119,583
Calgary	1838 14 St SW	20	\$3,230,000	TBD	\$161,500
Winnipeg	280 & 286 River Ave	27	\$2,562,000	TBD	\$94,889
Fort Sask	210 & 214 Westpark Dr	68	\$8,830,000	TBD	\$129,853
Regina	1927 & 1945 Halifax St	22	\$1,400,000	TBD	\$63,636
<b>TOTAL Q3 2022</b>		<b>210</b>	<b>\$24,142,000</b>		<b>\$114,962</b>

## Q4 2022 Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Regina	45 Kleisinger Crescent	31	\$2,690,000	TBD	\$86,774
Edmonton	10408 155 Ave NW	39	\$4,351,000	TBD	\$111,564
<b>TOTAL Q4 2022</b>		<b>70</b>	<b>\$7,041,000</b>		<b>\$86,774</b>

# 2022 Subsequent Acquisitions



## Q4 2022 Subsequent Acquisitions

City	Address	# of Units	Purchase Price	Appraised Value	Price per door
Calgary	1737 26 Ave SW	12	\$1,820,000	TBD	\$151,666
Calgary	1711 10 St SW	16	\$2,364,000	TBD	\$147,750
Calgary	1608 16 St SW	22	\$3,125,000	TBD	\$142,045
Calgary	603 13 Ave SW	13	\$1,807,000	TBD	\$139,000
Edmonton	3149 151 Ave NW	99	\$13,759,901	TBD	\$138,989
Edmonton	11240,11325 & 11335 124 St NW	99	\$10,690,000	TBD	\$107,979
Winnipeg	Winnipeg	287	\$24,050,000	TBD	\$83,798
<b>TOTAL Q4 2022 Subsequent</b>		<b>548</b>	<b>\$57,615,901</b>		<b>\$105,138</b>