CAIC 2012

CANADIAN APARTMENT INVESTMENT CONFERENCE

Metro Toronto Convention Centre
North Building

Thursday, September 20, 2012

GREENWIN

PRIMECORP

RBC Capital Markets

Brookfield Financial

AVISON YOUNG

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- Moderator:
  - **Kris Boyce**
    Chief Executive Officer, Greenwin Inc.
- Speakers:
  - **Aik Aliferis**
    Principal, Primecorp Commercial Realty Inc.
  - **Jean-Charles Angers**
    Managing Director , RBC Capital Markets Real Estate Group
  - **David Bloomstone**
    Vice President & Director, TD Securities Real Estate Group
  - **Colin Catherwood**
    Partner, Brookfield Financial
  - **Robert Greer**
    Principal, Avison Young Commercial Real Estate

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Further Discussion Points

- A cross country review of recent investment sales and general commentary on market fundamentals, capital sources, and pricing parameters

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Notable Transaction – Oshawa Portfolio

Properties	• Tower on the Green – 117 suites / 1.52 acre site • Simcoe Estates – 41 suites / 1.22 acre site • Park Lane Estates – 123 suites / 3.51 acre site • Governor Mansions – 35 suites / .96 acre site
Suites	316
Price	$39,345,000 (124,509 / unit)
Sale Date	July 2012
Cap Rate	6.0%
Vendor	Private REIT
Purchaser	Fund Advisor

- ✓ Strategically located in attractive residential neighbourhoods with convenient access to downtown Core, Airport, Hospital, public transit, GoTrain & highways including 401 to Toronto
- ✓ Four mid-rise concrete & brick complexes
- ✓ Largest multi-family sale transaction in Oshawa market in recent years

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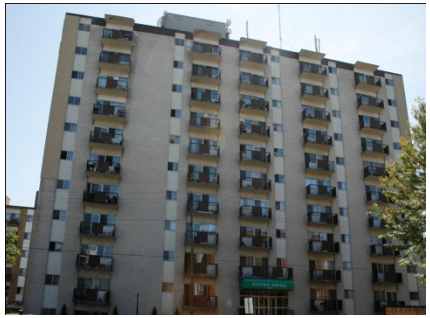
Notable Transaction – Ottawa Portfolio



Properties	• Westdale Apartments – 54 suites / 0.53 acre site • Mayview Apartments – 103 suites / 0.58 acre site • Doral Apartments – 43 suites / 0.15 acre site • Fairlane Apartments – 44 suites / 0.53 acre site
Suites	244
Price	$24,000,000 (98,361 / unit)
Sale Date	August 2012
Cap Rate	5.79%
Vendor	Private
Purchaser	Public

- ✓ Strategically located in well established areas within the National Capital Region
- ✓ Easy access to amenities including shopping, schools, OC Transpo as well as the Queensway (Highway 417) and downtown core
- ✓ High-rise & mid-rise complexes of concrete construction

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Notable Transaction

LaCité, Montréal

- RBC was the exclusive advisor
- 100% freehold interest in a landmark, 1,351 unit multi-residential complex located in downtown Montréal
  - Comprised of two 29-storey and one 32-storey apartment buildings developed in 1976 and 1977
  - Excellent location in one of Montréal's strongest multi-residential submarkets
  - Institutional-quality asset
  - Occupancy rate of 95.3% for the 1,145 non-furnished units
- RBC contacted 236 investors and received 33 executed confidentiality agreements
- Transaction closed in August 2012
  - Purchaser: Oxford Properties
  - Price: $232.5 million ($172,095 per unit)
  - Cap rate: 5.3%

Notable Transaction

Samuel-Holland Complex, Québec City

- RBC was the exclusive advisor
- 100% freehold interest in a landmark multi-residential complex with an important non-residential component built between 1970 and 1989
  - Comprised of 7 buildings with 819 units and 187,500 square feet of office and retail space
  - Institutional-quality asset
  - Occupancy rate of 99.1% at the time of sale
- RBC contacted a limited number of high probability investors
- Transaction closed in June 2011
  - Purchaser: Transglobe REIT
  - Price: $98.6 million
  - Cap rate: 6.0% (1)

(1): Cap rate for the multi-residential component

Notable Transaction

1170 Fisher Avenue, Ottawa

- RBC was the exclusive advisor
- 100% freehold interest in a 269 unit apartment building with a strategic location adjacent to Ottawa's Central Experimental Farm
  - Nine-storey concrete apartment building which was constructed in 1972
  - Well located in proximity to several parks and recreational areas, the Ottawa Hospital (Civic Campus) and Carleton University
  - Occupancy rate of 99.6%
- Transaction closed in January 2012
  - Purchaser: Homestead Land Holdings Limited
  - Price: $38.0 million ($141,264 per unit)
  - Cap rate: 5.0%

NOTABLE TRANSACTION

Sold: Maple Grove Master Planned Community
Toronto, Canada

- 1,478 suites near York University
- Zoned for an additional 1,035 suites
- New subway to open at Keele/Finch
- Size/Density – Limited Buyer Pool
- 8 Months Marketing
- Purchase Price: $135,000,000 (October 2011)
- 5.2% Cap. Rate

Largest Single Multi-Residential Complex Transaction in Toronto in 2011

NOTABLE TRANSACTION

TransGlobe Apartment REIT
Largest Multi-Residential Sale in Canadian History

- Privatization of Canada's 4th largest portfolio of multi family residential properties
- 21,771 suites in 176 buildings
- $14.25 per Trust Unit, $2.35 Billion
- Since the REIT's inception, unit holders made a total return of 64.4%
- 5.7% Implied Cap Rate
- Consortium of buyers with distinct strategies
- Significant upside still available for new owners

Largest Multi-Residential Transaction in Canadian History

NOTABLE TRANSACTION

THE NORGATE AND RENAISSANCE APARTMENTS

Brookfield Financial Real Estate Group Limited was retained exclusively to offer for sale the 100% freehold interest in Norgate and Renaissance Apartments

Properties	• The Norgate Apartment -1,108 suites / 18.17 acre site • The Renaissance Apartment 420 suites /11.03 acre site
Suites	1,528
Occupancy:	98%
Price	$121,000,000 (79,000 / unit)
Cap Rate	7.00%

NOTABLE TRANSACTION

MINTO MULTI-RESIDENTIAL INCOME FUND

Brookfield Financial was retained as advisor by Minto Apartments Ltd. to market an equity interest in a high quality apartment portfolio located in Ottawa, Oakville and Calgary

Properties	• Parkwood Hills Community • Navaho Community • James / Gilmour • Sophia II • Marlborough Court • Carousel • Others
Suites	3,466
Occupancy:	99%
Price	$500,000,000 (144,000 / unit)
Cap Rate	n/a

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performance.

Notable Transaction - Vancouver

Park Strand Apartments

1999 Nelson Street, Vancouver (West End)

Sale Date:	August 2012
Sale Price:	$14,925,000
Size:	50 units
Price per door:	$298,500
Cap Rate:	~3.00%
Vendor Type:	Private Investor
Purchaser Type:	Private Investor

- ✓ Located one (1) block from Stanley Park and English Bay in the West End of Vancouver
- ✓ Four (4) Storey plus penthouse concrete apartment building built in 1951
- ✓ Rents significantly below market levels averaging only $1.59 per sf

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partnership.
performance.

Notable Transaction - Victoria

Camosack Manor

1035 Belmont Avenue, Victoria

Sale Date:	March 2012
Sale Price:	$32,200,000
Size:	84 units + Commercial
Price per door:	$383,333
Cap Rate:	~4.50%
Vendor Type:	Private Investor
Purchaser Type:	Private Investor

- ✓ Best-in-class multi-family asset in the Rockland neighbourhood of Victoria
- ✓ Sixteen (16) storey plus penthouse high-rise with telecomm revenue
- ✓ Vendor had undertaken significant capital upgrades prior to sale
- ✓ Largest multi-family sale transaction in Victoria market in recent years

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Further Discussion Points

- Is new construction a viable alternative for investors when prices are close to or at replacement value?
- Are cap rates converging nationally or is there still a meaningful geographic differential?
- How different would your underwriting strategy and pricing guidance be for second tier assets (Class B&C) versus Class A or Trophy offerings?
- Are investors redeploying their proceeds back into the multi-residential market?
- What are your views on the sustainability of rental rates and long term strength of this investment product type?

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Questions

- We would now like to open up the presentation to the audience to address any questions that you may have

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