



Investor Presentation

March 2019



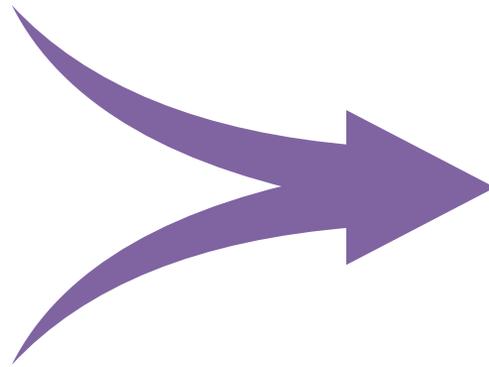
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Capitalized terms used but not defined herein have the meaning given to them in the Circular.

European Residential REIT (“ERES REIT”)



*Creating Canada's first
European-focused multi-residential REIT*

Transaction Highlights

Creation of Canada's first European focused multi-residential REIT



Attractive Asset Class with Strong Fundamentals

- High occupancy rates, increasing rents and strong cash flow growth
- Multi-residential rental growth rate and valuation metrics have outpaced those of commercial assets in Europe
- Attractive yield spread between capitalization rates and debt financing rates

Opportunity to Fuel Future Growth

- Opportunities for organic growth via asset management initiatives
- Significant external growth opportunities through further acquisitions
- Pipeline agreement with CAPREIT to ensure access to attractive, accretive acquisition opportunities

Alignment of Interests

- CAPREIT's majority ownership ensures alignment of interests with ECREIT unitholders
- CAPREIT is committed to retain a significant ownership over the long-term

Industry-Leading Platform

- CAPREIT has a 21-year proven record of growing cash flows and enhancing value in multi-residential properties in Canada and has an existing property management platform in Europe
- CAPREIT is Canada's largest multi-residential owner and has a best-in-class management platform

Attractive Transaction for ECREIT Unitholders

- ECREIT will issue Class B LP Units of a wholly owned subsidiary at \$4.00 per Class B LP Unit to CAPREIT as partial consideration for the purchase price of approximately \$634mm¹
- ECREIT unitholders as of a record date to be determined by ECREIT to receive a \$0.50 per unit cash special distribution funded by CAPREIT
- Participation in the future growth of the enlarged REIT



Transaction Terms

Attractive transaction for ECREIT unitholders



Transaction Overview	<ul style="list-style-type: none">▪ ECREIT to purchase from CAPREIT a portfolio of 2,091 multi-residential suites in 41 properties located in the Netherlands▪ Purchase price of \$634mm (independently appraised value as of 4 December 2018)¹
Financing	<ul style="list-style-type: none">▪ Approximately \$327mm via the issuance of ~81.6mm Class B LP Units of a wholly-owned subsidiary of ECREIT, at a price of \$4.00 per Class B LP Unit▪ Approximately \$307mm assumption of mortgages on the Dutch properties¹
Special Distribution	<ul style="list-style-type: none">▪ ECREIT unitholders at a record date to be determined by ECREIT will receive a \$0.50 per unit cash special distribution funded by CAPREIT
Pro Forma Distribution Policy	<ul style="list-style-type: none">▪ European Residential REIT ("ERES REIT") expects to migrate over time to monthly distributions with optionality for euros with a target AFFO payout ratio of 80% to 90%
Management Agreement	<ul style="list-style-type: none">▪ ERES REIT will enter into a new asset management and property management agreement with CAPREIT or one of its subsidiaries▪ ECREIT's CEO, Phillip Burns, will become an employee of CAPREIT and CEO of ERES REIT▪ ERES REIT will have a right of first opportunity on multi-residential properties in Europe, subject to certain exclusions
Pipeline Agreement	<ul style="list-style-type: none">▪ Enables ERES REIT to request CAPREIT to acquire suitable properties on its behalf if ERES REIT if unable to do so▪ CAPREIT will make available up to \$250mm, on a revolving basis, for such acquisitions
Board of Trustees	<ul style="list-style-type: none">▪ Board to include existing ECREIT trustees (3) Ira Gluskin, Arjan Breure and Phillip Burns; CAPREIT nominees (3) Harold Burke, Gina Cody and Michael Stein; and 1 independent trustee to be appointed post-closing
Transaction Support	<ul style="list-style-type: none">▪ Certain trustees and officers of ECREIT holding ~12.8% (of which approximately 5.4% will be excluded from the disinterested vote in connection with the transaction's approval) of the outstanding units of ECREIT to vote in favour of the Transaction
Timing	<ul style="list-style-type: none">▪ Transaction closing expected to occur at the end of first quarter of 2019 after ECREIT unitholder vote (21 March 2019)▪ Special distribution expected at/around closing

ERES REIT Overview

European strategy: stable income with value appreciation



Sustained economic recovery and fundamentals

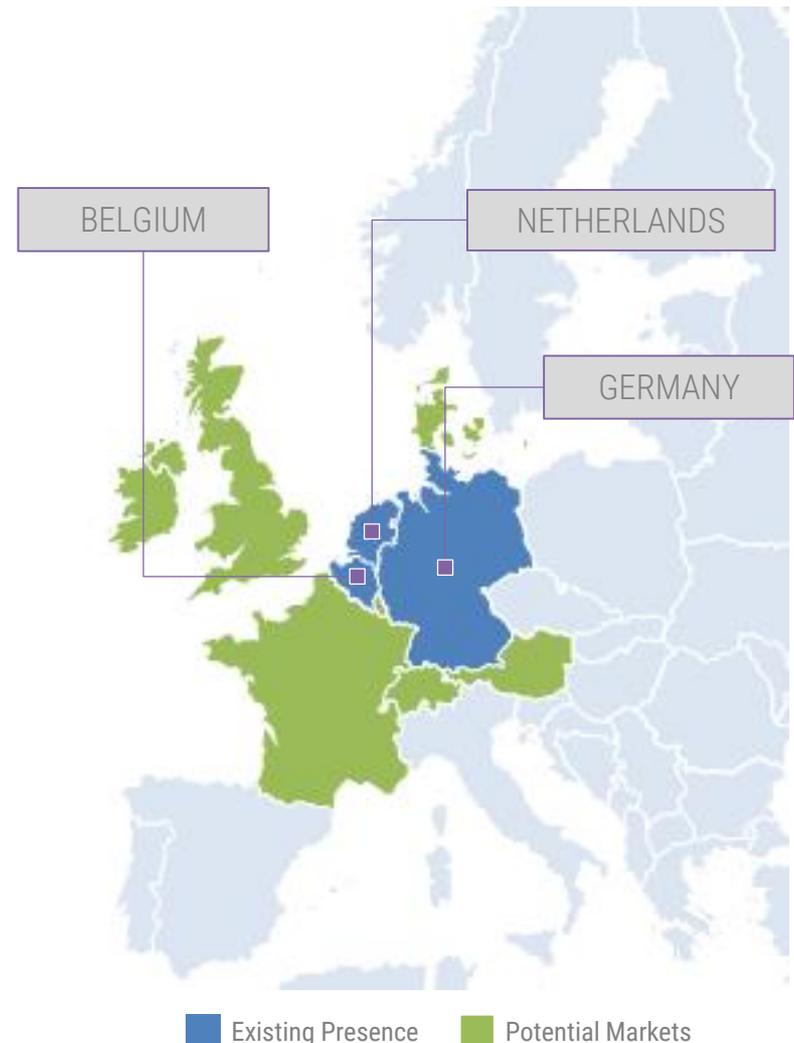
■ Solid underlying fundamentals

- European economic recovery
- Improving employment
- Moderate inflation
- Attractive lending environment

■ Key European markets with a current primary focus on the Netherlands, Germany and Belgium

■ Refocused strategy on multi-residential

- Attractive supply-demand dynamics
- Strong rental growth
- Opportunity for efficiencies
- Privatization potential



ERES REIT Overview

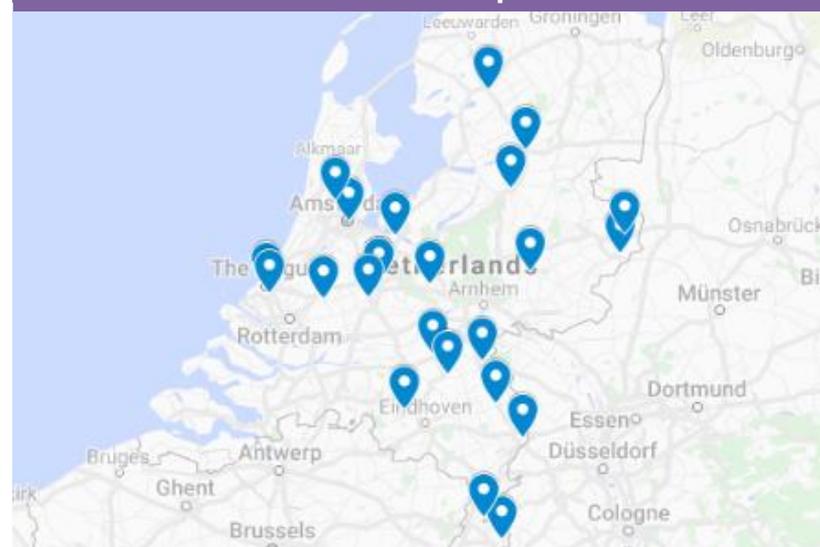
Dutch residential: portfolio snapshot



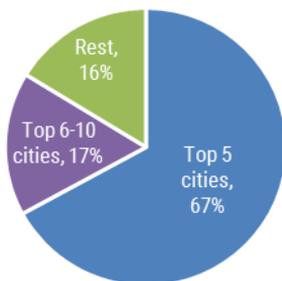
Portfolio Characteristics

Properties	41
Residential Units	2,091
Occupied AMR¹	€801
Occupancy¹	98.5%
NOI Margin²	76.0%
Stabilized AMR Growth³	5.8%
Valuation⁴	€434mm / \$651mm
Forward Capitalization Rate	4.0%

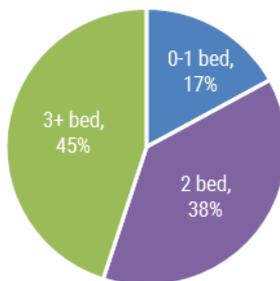
Portfolio Map



Concentration (% Res. Units)



Unit Type (Bedrooms)



Hugo de Groot singel Huizen, NL



Oeverpad 104 Amsterdam, NL



¹ As at 31 January 2019

² As at 31 December 2018, excluding service charge income/expense

³ Year over year growth in stabilized occupied same-property AMR for 31 December 2018

⁴ Based on 31 December 2018 valuation and EUR/CAD FX rate of 1.5020

Source: Management Information Circular, dated 22 February 2019

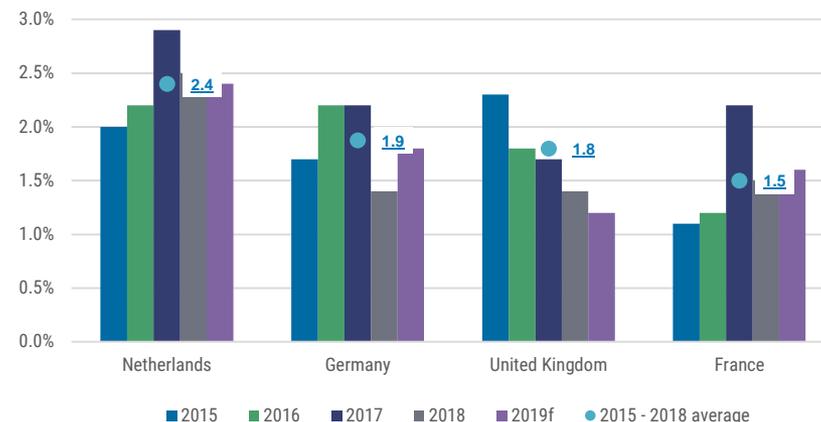
ERES REIT Overview

Dutch economy: stable environment, part of “core” Europe

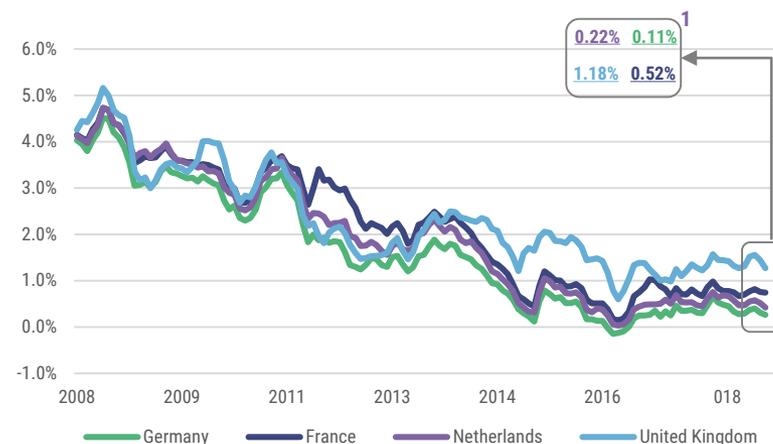


- **The Netherlands' economy is one of the best performing in the EU**
 - 6th largest economy in the EU by nominal GDP (US\$854 billion)
 - Ranked 1st among EU countries in the 2017 global competitiveness index of the World Economic Forum and 4th globally
 - Past and forecast GDP growth higher than its Western European peers
- **Stable economy recognised by capital markets**
 - Creditworthy and stable government recognized by the tight pricing on the sovereign bonds
 - One of only 10 countries globally with a AAA rating by all three major credit rating agencies
 - Modest government debt (51.0% of GDP)

Real GDP Growth Rate (%)



Government Bond Yields (10yrs)



ERES REIT Overview

Dutch residential market: strong fundamentals



- **Growing population and behavioural change in the way people live is driving household demand**

- Number of households grew by ca. 64,000 per year between 2015 and 2018 and household growth is expected to reach >75,000 per year through 2020

- **Housing demand continues to surpass new construction, increasing the critical housing shortage**

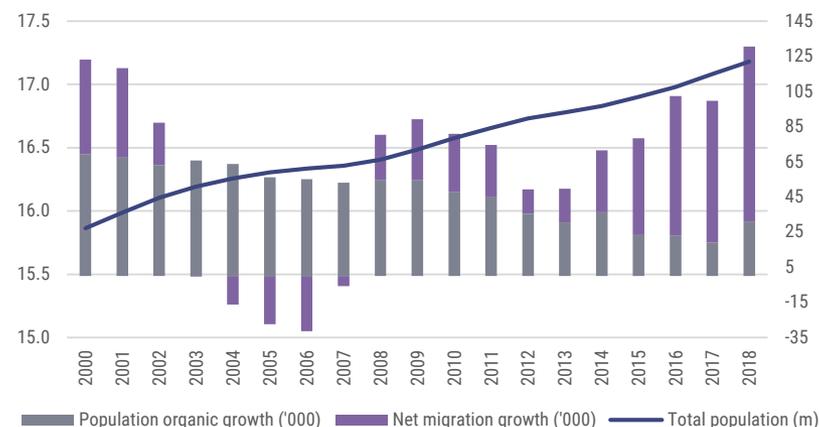
- An estimated 82,000 dwellings are needed each year compared to the average 59,000 of new dwellings put into the market per year since 2012

- **In addition to attractive fundamentals, deregulation¹ of regulated units provides significant opportunities to increase rents**

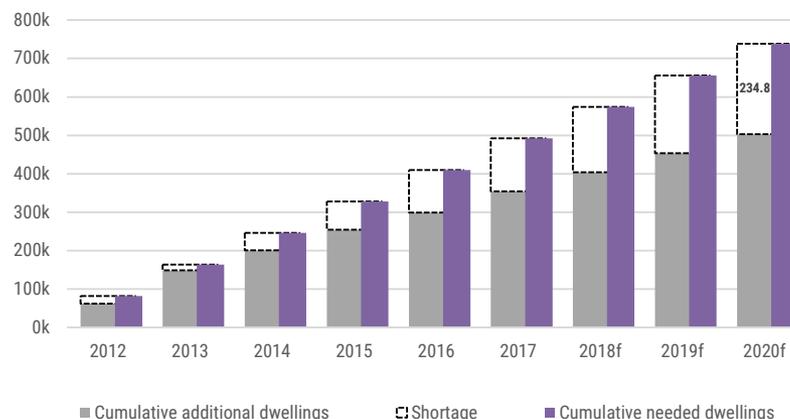
- In 2018, CAPREIT realized Year 1 cash returns in excess of 7% on capital invested to “deregulate” suites²

- **As a result, growth in multi-residential rental rates and valuations have outpaced those of commercial assets**

Population and Net Migration



Housing Shortage



¹ Deregulation refers to an apartment not subject to rent control and lettable freely on open market

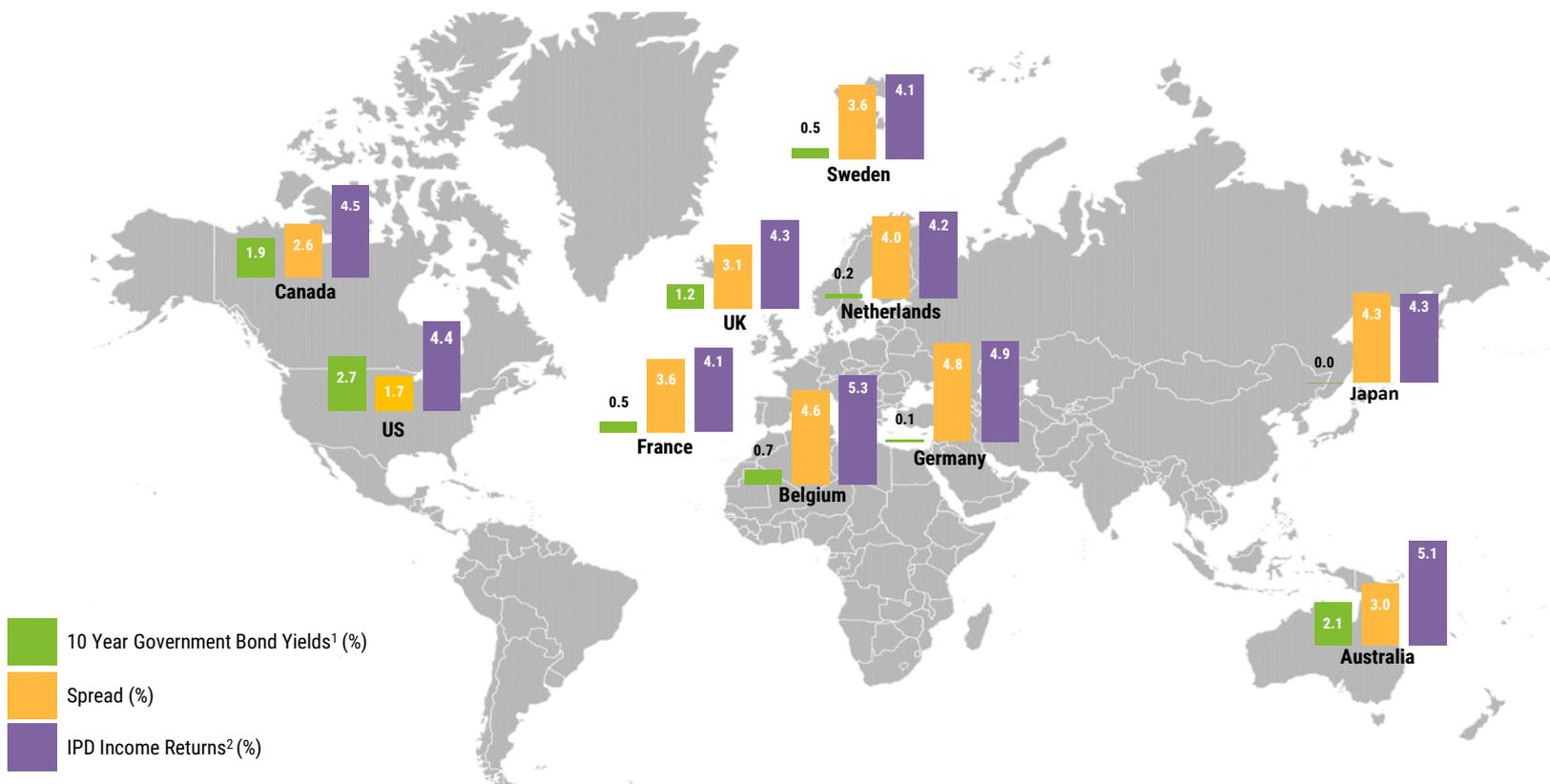
² As per the Management Information Circular, dated 22 February 2019

Sources: CBS, Capital Value, ABF Research

ERES REIT Overview

European real estate: attractive relative yield spreads

The European Union offers superior risk-reward vs. alternative markets



1 As at 25 February 2019

2 2017 IPD data (most recent available)

Sources: IPD, Bloomberg

ERES REIT Overview

Strong sponsorship: Canadian Apartment Properties REIT (“CAPREIT”)



Canada’s pre-eminent multi-residential owner / manager

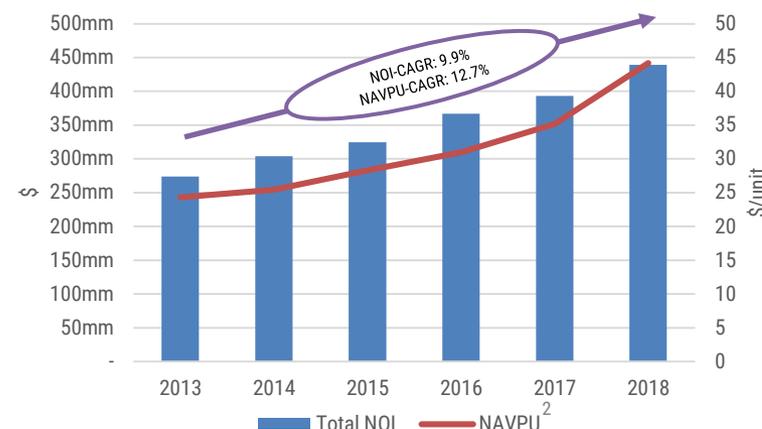
- **CAPREIT is Canada’s largest residential landlord with a best-in-class management platform and >50,000 units across Canada and the Netherlands**
- **Current market capitalization of ~\$7.4 billion¹**
 - Material institutional unitholder base, representing ~27% of total units outstanding²
- **Since IPO in 1997, total return stands at ca. 1,964%, or CAGR of ca. 15%³**



Total Returns since IPO³



Operating Performance



1 As of 26 February 2019

2 As per S&P Capital IQ

3 Priced as of 27 February 2019

ERES REIT Overview

Strong sponsorship: proven investment manager



CAN Living B.V., a Dutch subsidiary of CAPREIT, will be the REIT's property and asset manager

■ About CAPREIT

- Founded in 1997, one of the first Canadian public REITs
- High returns in rent controlled environment
- 52,039 residential units coast-to-coast in Canada and the Netherlands¹

■ 917 employees in 5 regional offices in Canada²

- Available & experienced support for ERES REIT
- 18 experienced staff in the Dutch office²
- Strong systems and personnel support

■ Fully aligned with ERES REIT unitholders

- Significant majority ownership interest

■ Pipeline agreement ensures access to attractive, accretive acquisition opportunities

- CAPREIT will make up to \$250mm available



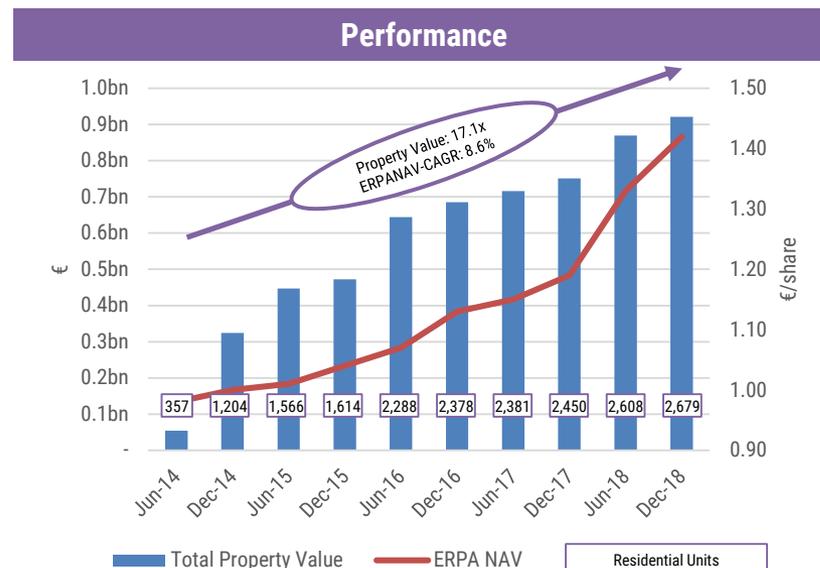
ERES REIT Overview

Strong sponsorship: Irish Residential Properties REIT Plc (“IRES”) case study



Proven track record building scale and success

- **IRES¹ is a growth-oriented REIT focused on Irish residential market**
- **Current market capitalization of ~€669mm²**
 - Initially formed as a subsidiary of CAPREIT
 - Following €200mm IPO in 2014, IRES has attracted significant institutional interest³
 - Successful equity raise of €215mm in March 2015 to fund future growth
 - CAPREIT maintains significant ownership (18%) and provides asset and property management services
- **Under CAPREIT’s sponsorship, portfolio grown to 2,679 units over the past ~5 years**
 - AMR growth of >5.0% p.a. since 2015
- **Total return of ca. 75% since IPO, or CAGR of ca. 12%⁴**



¹ Listed on the Irish Stock Exchange, ticker IRES.DB

² As of 26 February 2019

³ Institutions representing ~70% of the shareholder base as per S&P Capital IQ

⁴ As of 27 February 2019

ERES REIT Overview

Proposed management structure: industry leading expertise



Phillip Burns
CEO and
Trustee

- Current CEO and Trustee of ECREIT
- Trustee of Irish Residential Properties REIT Plc (IRES)
- Founder and Principal of Maple Knoll Capital Ltd.
- Former CEO of Corestate Capital
- Former Terra Firma Capital Partners, Goldman Sachs and Skadden Arps



Karim Farouk
Managing
Director

- CAPREIT since 2009, based in the Netherlands
- Former Business Consultant
- Former Volume Urbain Inc. and Immeu-bles Difar Ltee.



Mark Kenney
President and
COO

- CAPREIT since 1998
- Trustee of Irish Residential Properties REIT Plc (IRES)
- Board member and former chair of the Fed. of Rental-Housing Providers of Ontario, board member of St. Hilda's Towers and former founding board member of the GTAA
- Former Realstar Management Partnership, Greenwin Property Management and Tridel



Scott Cryer
CFO

- CAPREIT since 2009
- Chartered Accountant
- Former Deloitte



**Jonathan
Fleischer**
Exec. VP,
Operations

- CAPREIT since 2015
- Former Executive Vice President at Triovest Realty Advisors
- Former NK Properties Ltd and AFC Properties Ltd.

ERES REIT Overview

Proposed board: best-in-class



Trustee	Real Estate / Board Experience	Experience			
		Canadian Capital Markets	Canadian Real Estate	European Capital Markets	European Real Estate
 Mike Stein	<ul style="list-style-type: none"> • Founder of CAPREIT where he has served as founding CEO, Executive Chair and continues to serve as Chairman • Founder, Chairman and CEO of the MPI Group 	✓	✓	✓	✓
 Ira Gluskin	<ul style="list-style-type: none"> • Co-founder and Former President / CIO of Gluskin Sheff + Ass. • Director of Tricon Capital Group • Trustee of ECREIT 	✓	✓	✓	✓
 Gina Cody	<ul style="list-style-type: none"> • 30 years of professional practice in the private sector as a professional engineer, corporate executive • Founder and principal of an engineering firm • Trustee of CAPREIT 	✓	✓		
 Harold Burke	<ul style="list-style-type: none"> • Senior Vice President at DREAM Asset Management • 30 years of professional practice in the tax area • Trustee of CAPREIT 	✓	✓	✓	✓
 Jan Arie Breure	<ul style="list-style-type: none"> • Independent capital markets consultant • Trustee of ECREIT • Former Terra Firma Capital Partners and Citi Property Investors 	✓		✓	✓
 Phillip Burns	<ul style="list-style-type: none"> • Current CEO and Trustee of ECREIT, Trustee of IRES • Founder and Principal of Maple Knoll Capital Ltd. • Former Corestate Capital, Terra Firma Capital Partners, Goldman Sachs and Skadden Arps 	✓		✓	✓

Pro Forma Portfolio Snapshot

ERES REIT: residential assets



**CREATION OF CANADA'S FIRST
EUROPEAN-FOCUSED MULTI-
RESIDENTIAL REIT**



**SIGNIFICANTLY IMPROVED CASH FLOW
GROWTH PROFILE**

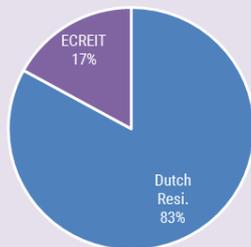


LARGER, MORE DIVERSIFIED PORTFOLIO

\$136mm + \$651mm = \$787mm¹

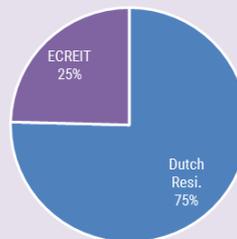
*ECREIT + Dutch Res = ERES REIT
(Investment Properties)*

Valuation Breakdown¹



**European residential rent growth
outpacing that of commercial assets**
**Pipeline agreement ensures access to
capital to fund external growth**

Combined Rental Income Contribution²



3 + 41 = 44 Properties

ECREIT + Dutch Res = ERES REIT

10 + 2,091 = ~2,100 Tenants

ECREIT + Dutch Res = ERES REIT

Pro Forma Portfolio Snapshot

ERES REIT: commercial assets



Dusseldorf, Germany

- 56,700 sf. multi-tenant office property
- Centrally located within a German “top six” city
- Vibrant, redeveloping area near main train station
- 99.3% occupied with entrenched, sticky tenants
- Attractive long-term financing at 1.6%
- WALT of 4.8 years¹

Landshut, Germany

- 173,000 sf. single-tenant building
- Metropolitan region of German “top six” city
- Efficient, newer generation building
- 100% occupied, long-term lease to Global 500 company
- Attractive long-term financing at 1.9%
- WALT of 6.8 years¹

Brussels, Belgium

- 168,000 sf. single tenant office property
- Central business district of Brussels, the capital of Belgium and political heart of the European Union
- Efficient building in a mixed-use, regenerating area
- 100% occupied, long-term lease to government tenant
- Attractive long-term financing at 1.9%
- WALT of 6.3 years¹



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