



**dream**   
residential REIT

**AGM 2024**



# Agenda

- 01** *Welcome and Call to Order*
- 02** *Appointment of Chair, Secretary and Scrutineers for Meeting*
- 03** *Notice of Meeting*
- 04** *Business of the Meeting*
  - Financial Statements and Auditors' Report
  - Election of Trustees
  - Appointment of Auditor
- 05** *Conclusion of the Meeting*
- 06** *Chair's Remarks*
- 07** *Management Presentation*

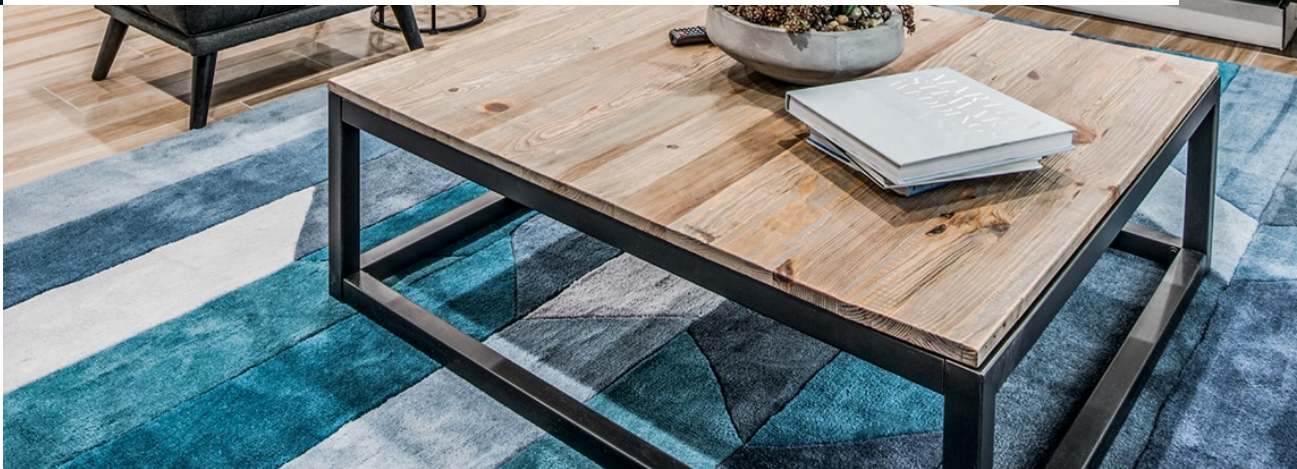
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# Fahad Khan

**Member of the Board**





# Brian Pauls

**Chief Executive Officer**





TSX: DRR.U, DRR.UN

# Dream Residential REIT

**\$398.1 M**

Investment Properties

**3,300**

Units

**\$1,155**

Average In-Place Base Rent

**\$13.52**

NAV per Unit<sup>2</sup>

**93.8%**

Occupancy Rate

**3.3%**

Q1/24 Comparative Properties  
Net Operating Income<sup>3</sup> Growth

**6.5%**

Distribution Yield<sup>1</sup>

**32.2%**

Net total debt-to-net total assets<sup>4</sup>

<sup>\*</sup>As at March 31, 2024.

<sup>1</sup> Distribution yield is calculated as annual distribution per Unit divided by Unit price. Based on June 7, 2024 closing price.  
<sup>2</sup> NAV per Unit is a non-GAAP ratio. The definition of NAV per Unit includes total equity (including Class B Units), a non-GAAP financial measure. The most directly comparable financial measure to total equity (including Class B Units) is equity. For further information on this non-GAAP ratio, please refer to the statements under the heading "Non-IFRS Measures and Industry Metrics" in this investor presentation.  
<sup>3</sup> Comparative properties net operating income ("comparative properties NOI") is a non-GAAP financial measure. For further information on this non-GAAP measure, please refer to the statements under the heading "Non-IFRS Measures and Industry Metrics" in this investor presentation.  
<sup>4</sup> Net total debt-to-net total assets ratio includes net total debt and net total assets, which are non-GAAP financial measures. The most directly comparable financial measure to net total debt is mortgages payable, and the most directly comparable financial measure to net total assets is total assets. For further information on this non-GAAP ratio and non-GAAP measures, please refer to the statements under the heading "Non-IFRS Measures and Industry Metrics" in this investor presentation.



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# Investment Highlights



Stable and Safe Distribution Yield



Conservative Balance Sheet



Attractive Valuation



Institutional Track Record





# Scott Schoeman

**Chief Operating Officer**



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# Property Map

**15**

Garden-style  
assets

**3,300**

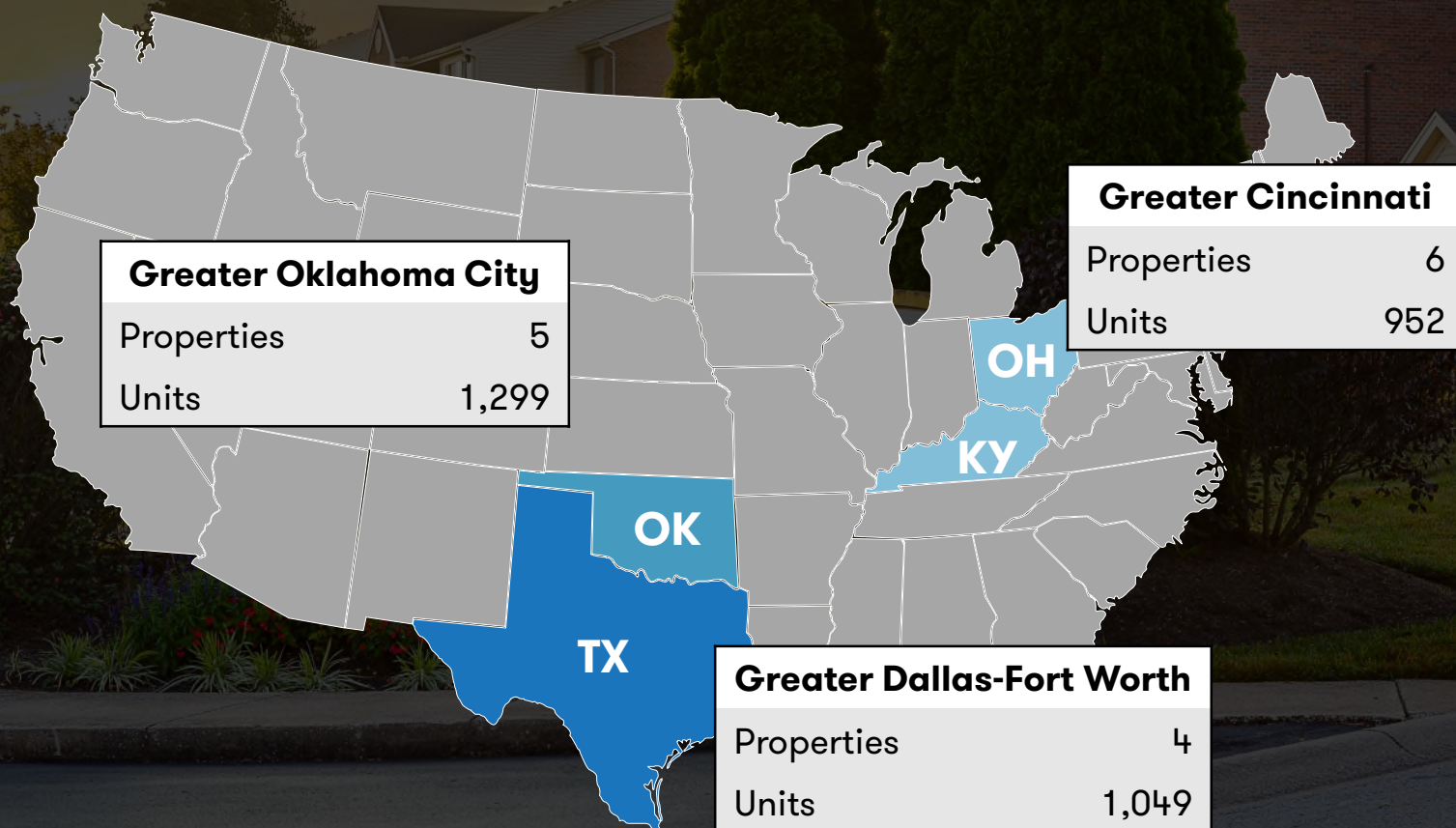
Units

**93.8%**

W.A.  
Occupancy<sup>1</sup>

**\$1,155**

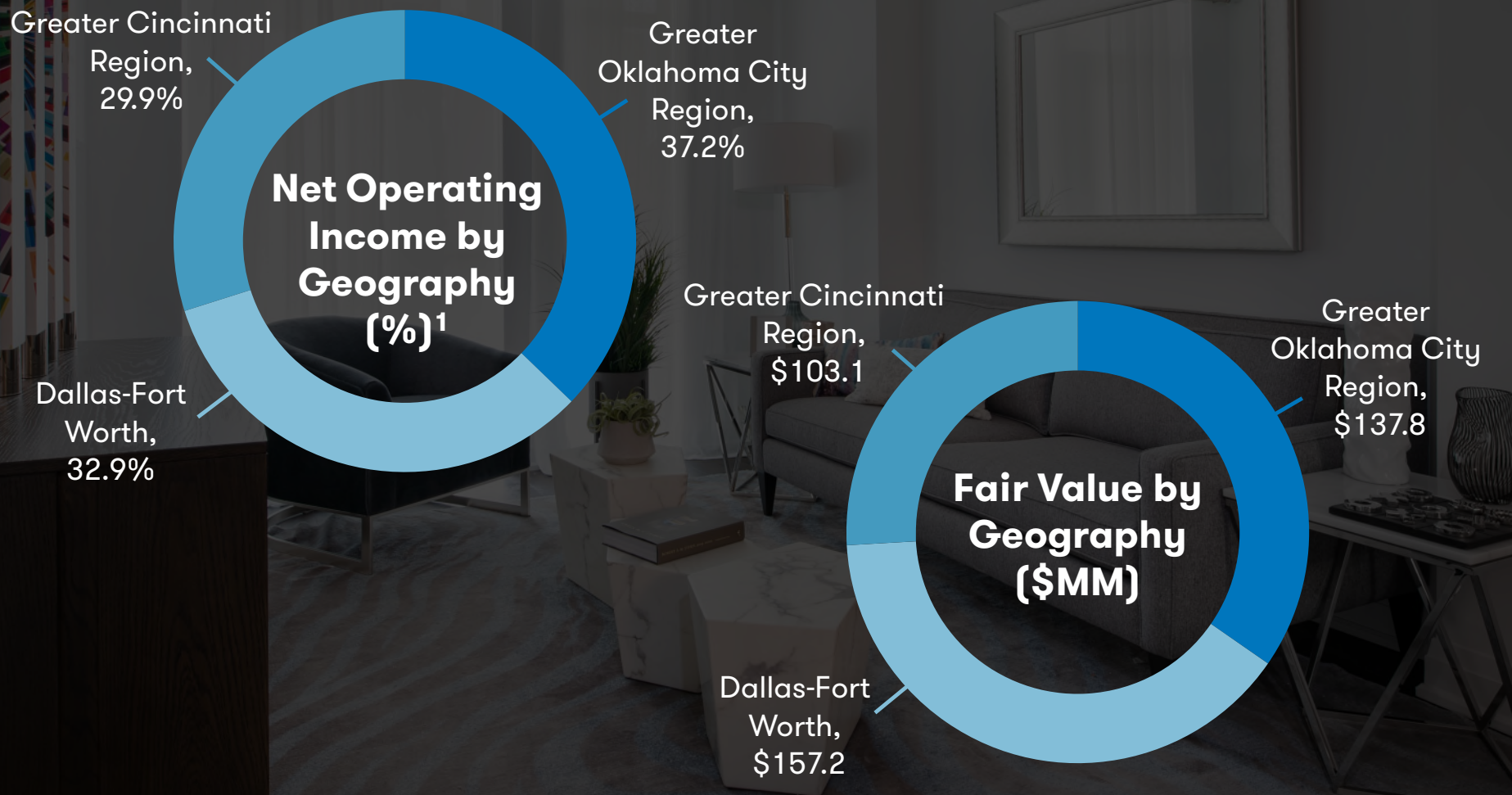
Average Monthly  
Rent<sup>1</sup>



<sup>1</sup>) As at March 31, 2024



# Portfolio Overview



\* As at March 31, 2024

1) Net operating income from December 31, 2023 to March 31, 2024. NOI is a non-GAAP financial measure. See the "Non-IFRS Measures and Industry Metrics" section for a description of this non-GAAP financial measure.

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# Dallas-Fort Worth

**24**

Fortune 500  
Companies

**#1**

In population growth  
from 2010-2020  
(Ranked in the top 10 in 2024)

**#1**

In job creation  
over last five years





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# Oklahoma City

**Over 2x**

The national average  
population growth  
from 2010-2020

**3.0%**

Unemployment rate

**#2**

Ranked best city for  
small businesses in  
the U.S.





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# Cincinnati

## #1

Ranked city for young professionals to live in the U.S.

## 5th

Highest year-over-year rent growth

## Lowest

Cost of living major metropolitan area





# U.S. Multi-Residential Sector Dynamics

1

Consistent rent growth  
and absorption levels

2

Shorter leases (~12  
months) offer inflation  
protection

3

Large, diverse tenant base  
mitigates single-tenant  
exposure

4

Defensive asset class

5

No rent control across all  
our markets

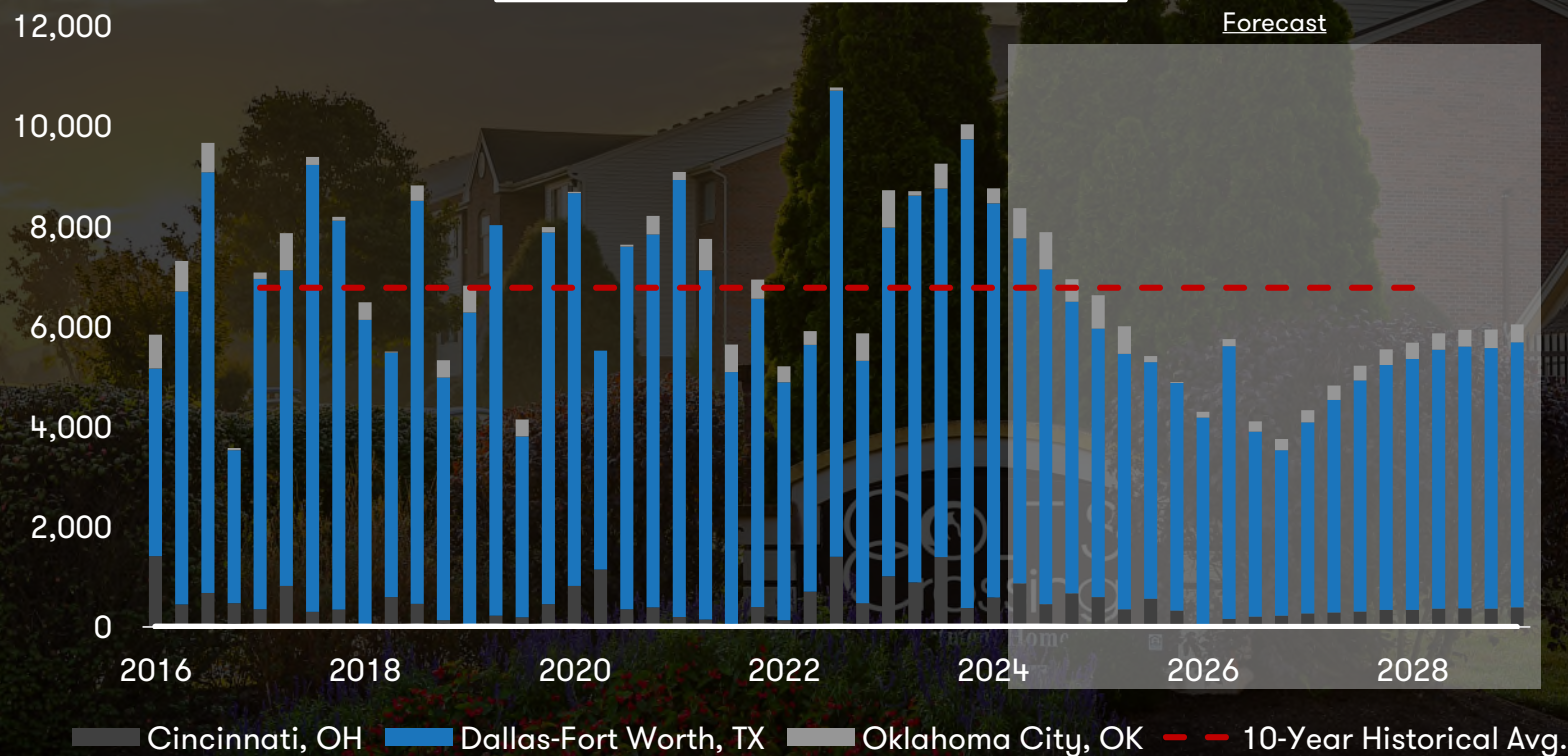
6

Fragmented and deep  
sector provides  
consolidation opportunity



# A Declining Supply Pipeline

## Gross Units Delivered<sup>1</sup>

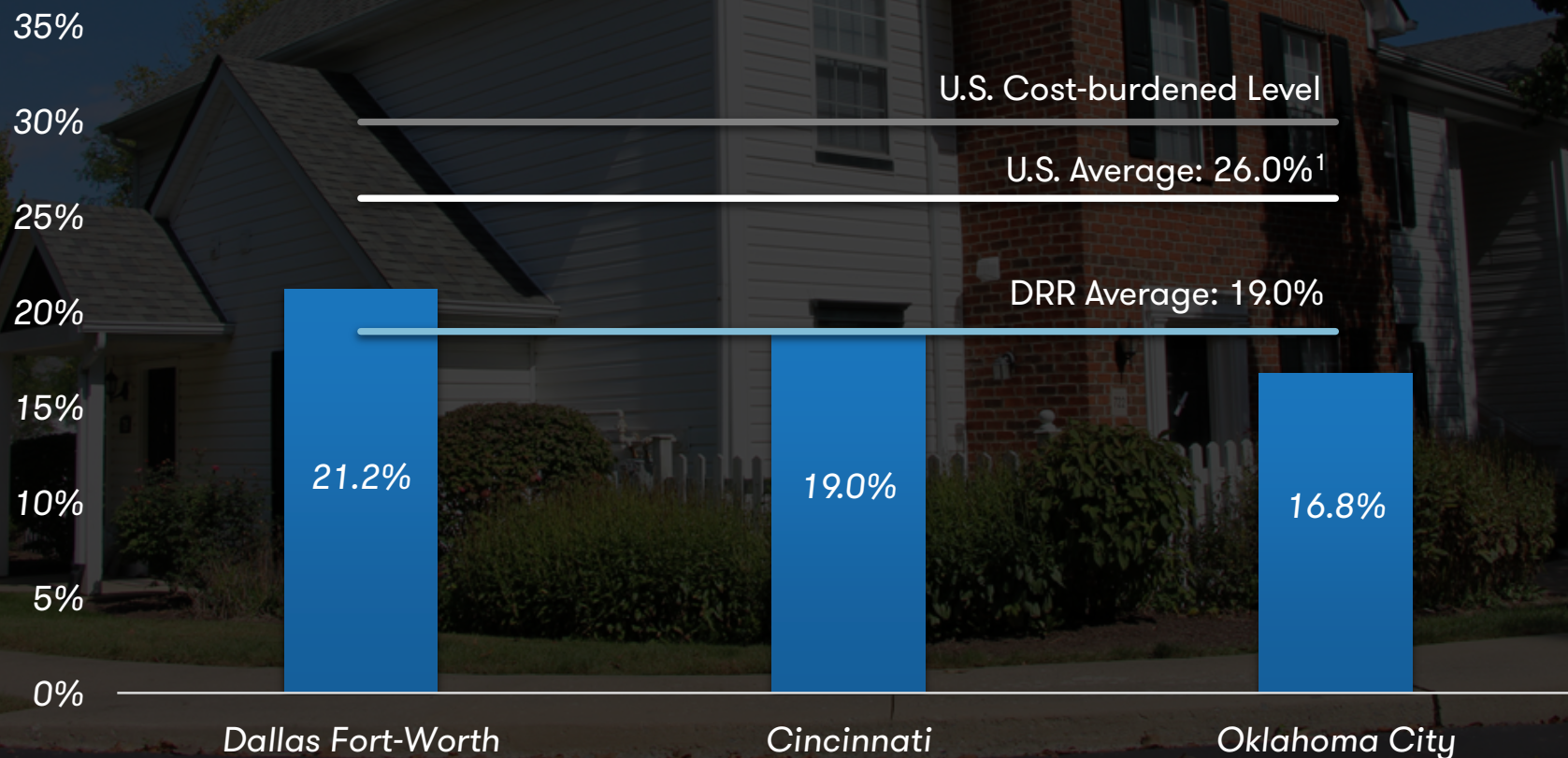


The supply pipeline in our markets declines significantly in the near term, and systemic housing shortages remain unaddressed. The reduced supply pipeline coupled with the high income, job, and population growth in our markets is expected to drive demand and rental growth across our portfolio.



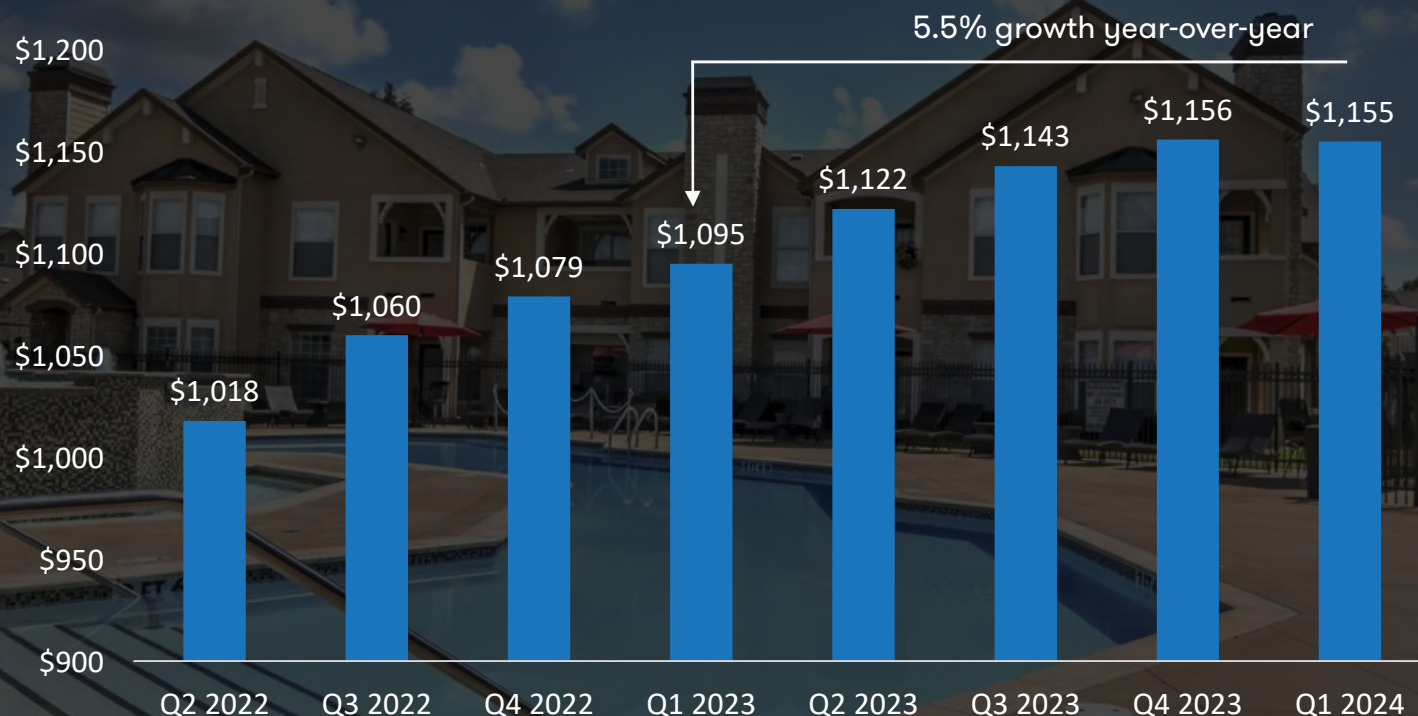
# Middle of the Middle Housing

Annual Rent as a Percentage of Median Household Income in Q1 2024



# Strength of Operations

## Weighted Average In-Place Rent per Unit



1

Weighted average in-place rents increased 5.5% compared to March 31, 2023

2

Estimated market rent was \$1,268 as of Q1 2024, resulting in a 9.8% gain-to-lease opportunity which is expected to be realized over 18-24 months



# Capital Allocation – Value-Add Program



Improves building quality, driving rent growth and property values



Delivers a better tenant experience and improves the quality of our residents



Reduces labour and capital expenditure costs



Rent lift achieved on renovated units is significantly higher than classic units



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# Value-Add Initiatives – Metrics

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**670 suites** **\$12,000 - \$22,000**

Renovated since IPO through Q1 2024

Cost per Unit

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**~2,300 suites**

Value-add pipeline in the  
Initial Portfolio

**~\$120 - \$290**

Rent Increase per Unit

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**~12% - 16%**

Return on Invested Capital<sup>1</sup>

<sup>1</sup>) Estimated returns based on current market rents. ROIC is a supplementary financial measure. ROIC is calculated as the difference in new lease rent compared to rent on unimproved suites divided by estimated total cost.





# Derrick Lau

**Chief Financial Officer**





# Conservative and Flexible Balance Sheet

\$90  
\$80  
\$70  
\$60  
\$50  
\$40  
\$30  
\$20  
\$10  
\$-

■ Cash ■ Undrawn Credit Facility

**\$79.1M**  
Available  
Liquidity<sup>1</sup>

**\$137.9M**

Mortgages Payable

**\$409.4M**

Total Assets

**32.2%**

Net Total Debt-to-Net  
Total Assets<sup>2</sup>

(1) Available liquidity is a non-GAAP financial measure. The most directly comparable financial measure to available liquidity is undrawn credit facilities. For further information on this non-GAAP measure, please refer to the statements under the heading "Non-IFRS Measures and Industry Metrics" in this investor presentation.

(2) Net total debt-to-net total assets is a non-GAAP ratio. For further information on this non-GAAP ratio and non-GAAP measures, please refer to the statements under the heading "Non-IFRS Measures and Industry Metrics" in this investor presentation.



# Debt Profile

**\$144.0M**

Total Mortgage  
Principal<sup>2</sup>

**5.0 years**

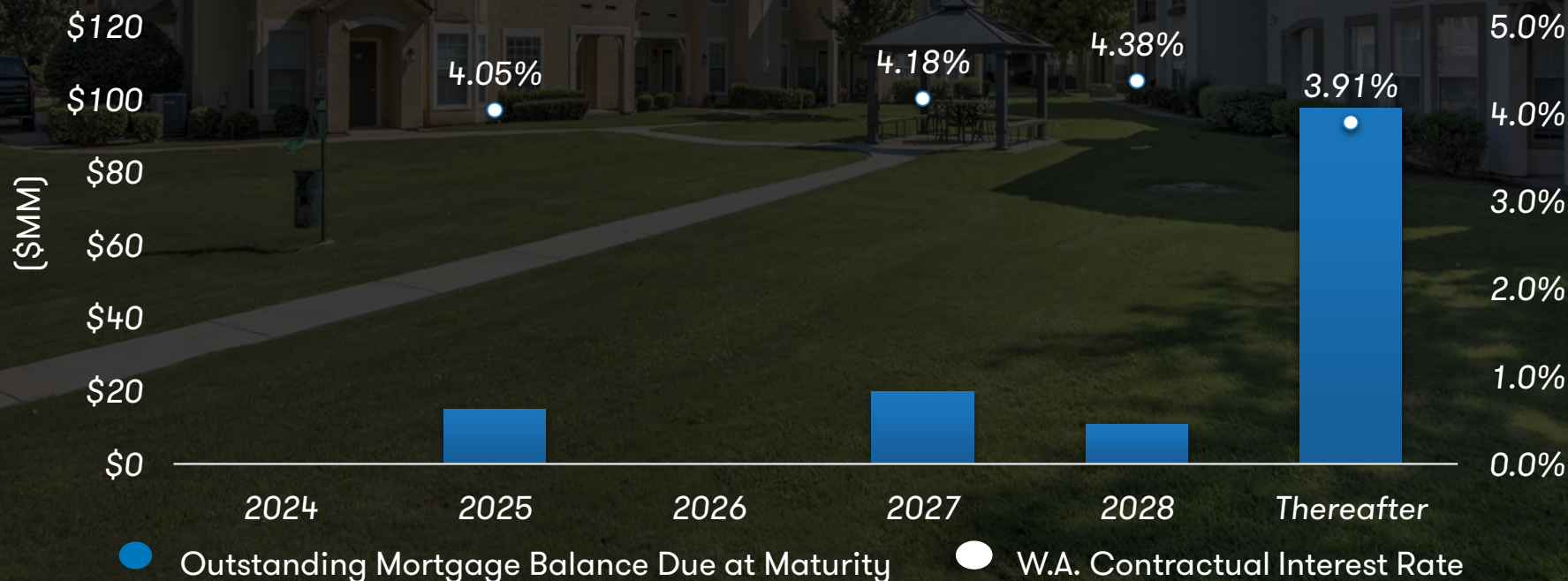
Mortgage Weighted  
Average Term to  
Maturity

**4.00%**

Total Weighted  
Average Contractual  
Interest Rate<sup>2</sup>

**100%**

Interest-Only,  
Fixed Rate Debt<sup>1</sup>



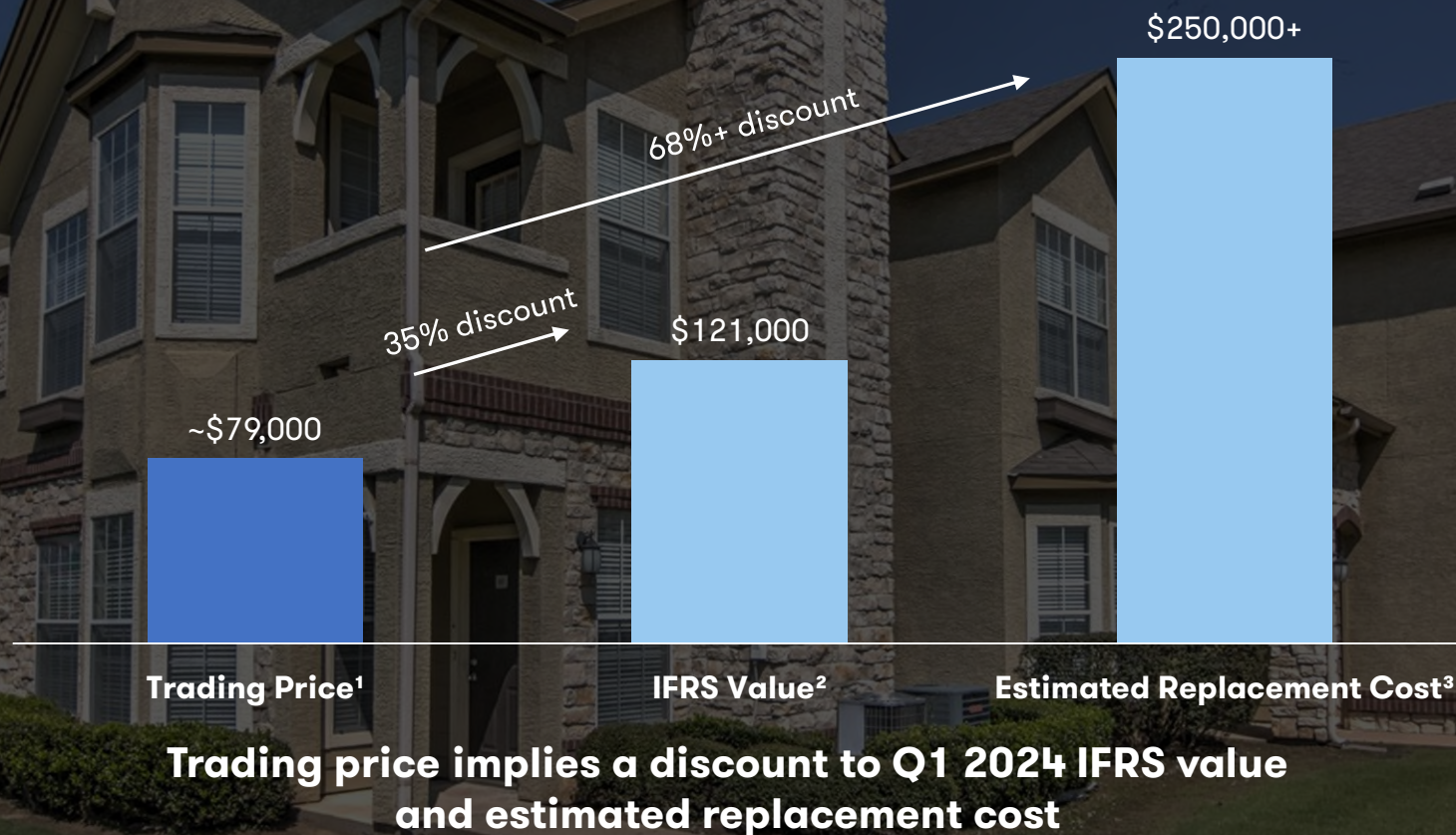
(1) Approximately 91% of our mortgages are interest-only debt throughout their full term with two mortgages (or approximately 9%) being interest-only until amortization begins at set dates in 2025, and 2027, respectively.

(2) Carrying value of mortgages as at March 31, 2024, was \$137.9 million with an effective interest rate of 5.16%



# Attractive Valuation

## Cost per Door Comparison



(1) Discounted trading price per door is calculated as the June 7, 2024 closing unit price of \$6.50, multiplied by total number of units outstanding (including Class B units), less restricted funds, other non-current assets, accounts receivable, prepaid expenses and other current assets, and cash and cash equivalents, plus mortgages payable, deferred unit incentive plan, and amounts payable and accrued liabilities, all divided by total number of apartment units.

(2) IFRS value per door is calculated as the total investment properties divided by total number of apartment units

(3) Replacement cost per door is estimated based on market construction costs of \$300-\$350 per square foot for secondary multi-residential markets (source: Janover)





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**Thank you**



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# Disclaimer

All dollar amounts in this presentation are stated in U.S. dollars and references to dollars or “\$” are to U.S. currency.

## Non-IFRS Measures and Industry Metrics

This presentation makes reference to certain non-International Financial Reporting Standards (“IFRS”) financial measures and non-IFRS ratios and industry metrics, including “net total debt-to-net total assets”, “NAV per Unit”, “NOI”, measures and “available liquidity”. These measures and ratios are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other publicly traded entities and “return on invested capital”. Rather, these measures and ratios are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures and ratios should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. Certain additional disclosures such as the composition, usefulness, reconciliation to the most comparable IFRS metrics, and changes, as applicable, of these non-IFRS measures and ratios have been incorporated by reference from Dream Residential Real Estate Investment Trust’s (the “REIT”, “DRR”, “us”, “we” or our”) management’s discussion and analysis for the three months ended March 31, 2024 (the “Q1 MD&A”) and can be found under the section “Non-GAAP Financial Measures and Ratios”, subheadings “NAV per Unit”, “Net operating income (“NOI”)”, “Comparative properties NOI”, “Comparative properties NOI margin” and “Comparative investment properties revenue”, “available liquidity”, and “Net total debt-to-net total assets ratio” of the Q1 MD&A. The Q1 MD&A is available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca) under the REIT’s profile.

## Forward-Looking Information

This presentation contains “forward-looking information” within the meaning of applicable securities legislation in Canada, including statements regarding the REIT’s objectives and strategies to achieve those objectives; our goal of maximizing NOI and NAV growth; our intention to capitalize on market rent growth; our view that rent growth is driven by strong fundamentals; our intention to grow externally in current and new markets; expectations regarding the execution of our value-add initiatives, strategy and plans, including investments, costs, rent increases, 12% to 16% return on invested capital, number of units to be renovated, and completion dates; our ability to determine the most accretive use of funds and prioritize renovation of units with the highest rate of return; our value-add pipeline; our expectations regarding the U.S. multi-residential sector, including in respect of rent growth, absorption levels, the strength of the asset class, and consolidation opportunities; our expectation that a diverse tenant base mitigates certain risks; our view that short-term leases offer inflation protection; the characteristics of certain U.S. real estate markets; our environmental, social and governance (“ESG”) and impact commitments, and our membership and involvement with certain third party organizations involved with ESG and impact matters; and the strength of our balance sheet, our debt profile and our liquidity. The forward-looking information in this presentation is presented for the purpose of providing disclosure of the current expectations of our future events or results, having regard to current plans, objectives and proposals, and such information may not be appropriate for other purposes. Forward-looking information may also include information regarding our respective future plans or objectives and other information that is not comprised of historical fact. Forward-looking information is predictive in nature and depends upon or refers to future events or conditions; as such, this presentation uses words such as “may”, “would”, “could”, “should”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “outlook”, “objective”, “forecast”, “project”, “budget”, “estimate”, “continue”, “target” and similar expressions suggesting future outcomes or events to identify forward-looking information.

Any such forward-looking information is based on information currently available to us and is based on assumptions, estimates and analyses made by us in light of our respective experiences and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. These assumptions include that the general economy remains stable, there are no unforeseen changes in the legislative and operating framework for our business; we will have access to adequate capital to fund our future projects and plans and that we will receive financing on acceptable terms; inflation and interest rates will not materially increase beyond current market expectations; and geopolitical events will not disrupt global economies. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Whether actual results and developments will conform with the expectations and predictions contained in the forward-looking information is subject to a number of risks and uncertainties, many of which are beyond our control, and the effects of which can be difficult to predict. These risks and uncertainties include, but are not limited to, risks inherent in the real estate industry; financing risks; inflation, interest and currency rate fluctuations; global and local economic and business conditions; risks associated with unexpected or ongoing geopolitical events; changes in law; tax risks; competition; environmental and climate change risks; insurance risks; cybersecurity; uncertainties surrounding public health crises and epidemics. In evaluating any forward-looking information contained in this presentation, we caution readers not to place undue reliance on any such forward-looking information.

All forward-looking information in this presentation speaks as of the date of this presentation. The REIT does not undertake to update any such forward-looking information whether as a result of new information, future events, results, circumstances or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in the REIT’s filings with securities regulators, including its annual information form dated March 28, 2024, including under the heading “Risk Factors” therein and its latest management’s discussion and analysis. These filings are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the REIT’s profile.

Certain statements included in this presentation may be considered a “financial outlook” for purposes of applicable Canadian securities laws and, as such, the financial outlook may not be appropriate for purposes other than this presentation.

## Market and Industry Data

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information, as well as industry data prepared by us or on our behalf on the basis of our knowledge of the residential rental real estate sector in which we operate (including our estimates and assumptions relating to the sector based on that knowledge). We believe that the industry data is accurate and that our estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although we believe it to be reliable, it has not been independently verified.