Northview™

Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

NORTHVIEW FUND
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(thousands of Canadian dollars)

	Note	As at September 30, 2022	As at December 31, 2021
Assets			
Non-current assets			
Investment properties	3	**1,828,991**	1,774,678
Property, plant and equipment		**32,616**	35,000
Investment in joint ventures		**12,908**	12,743
Other long-term assets		**2,800**	2,950
		1,877,315	1,825,371
Current assets			
Accounts receivable		**4,750**	7,074
Prepaid expenses and other assets		**8,206**	4,296
Restricted cash		**5,455**	5,043
Cash and cash equivalents		**20,894**	11,312
		39,305	27,725
Total assets		**1,916,620**	1,853,096
Liabilities			
Non-current liabilities			
Mortgages payable	4	**571,177**	570,239
Credit facility	5	**494,710**	—
		1,065,887	570,239
Current liabilities			
Mortgages payable	4	**276,690**	238,603
Credit facility	5	**—**	513,677
Trade and other payables		**29,344**	31,464
Distributions payable	6	**3,763**	3,763
		309,797	787,507
Total liabilities, excluding net assets attributable to Unitholders		**1,375,684**	1,357,746
Net assets attributable to Unitholders		**539,790**	494,438
Total liabilities, net assets attributable to Unitholders		**1,915,474**	1,852,184
Equity			
Non-controlling interest		**1,146**	912
Total equity		**1,146**	912
Total liabilities, net assets attributable to Unitholders, and equity		**1,916,620**	1,853,096

See accompanying notes to these unaudited condensed consolidated interim financial statements.

NORTHVIEW FUND
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET AND COMPREHENSIVE INCOME (LOSS)
(thousands of Canadian dollars)

		Three Months Ended September 30		Nine Months Ended September 30	
	Note	**2022**	**2021**	**2022**	**2021**
Revenue	**9**	**49,703**	48,172	**147,241**	143,701
Operating expenses		**18,799**	17,983	**63,078**	58,950
Net operating income		**30,904**	30,189	**84,163**	84,751
Other expense (income)					
Distributions to Unitholders	**6**	**11,287**	11,287	**33,863**	33,863
Financing costs	**4, 10**	**13,147**	8,619	**32,927**	25,642
Administration		**1,883**	1,697	**5,447**	5,445
Management fees		**1,650**	1,665	**4,942**	5,010
Depreciation and amortization		**840**	849	**2,551**	2,558
Equity income from joint ventures		**(373)**	(353)	**(953)**	(845)
Fair value (gain) loss on investment properties	**3**	**(50,249)**	5,586	**(40,309)**	15,384
Loss (gain) on disposition of assets		**12**	—	**12**	(36)
Transaction costs		**—**	—	**—**	866
		(21,803)	29,350	**38,480**	87,887
Net and comprehensive income (loss)		**52,707**	839	**45,683**	(3,136)
Net and comprehensive income (loss) attributable to:					
Unitholders		**52,470**	785	**45,352**	(3,298)
Non-controlling interest		**237**	54	**331**	162
Net and comprehensive income (loss)		**52,707**	839	**45,683**	(3,136)

See accompanying notes to these unaudited condensed consolidated interim financial statements.

NORTHVIEW FUND
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(thousands of Canadian dollars)

Nine Months Ended September 30, 2022					
	Note	**Class A**	**Class C**	**Class F**	**Total**
Balance, beginning of period		**106,151**	**356,103**	**32,184**	**494,438**
Conversions	**6**	**5,607**	**(456)**	**(5,151)**	**—**
Net and comprehensive income attributable to Unitholders		**10,080**	**32,645**	**2,627**	**45,352**
Balance, end of period		**121,838**	**388,292**	**29,660**	**539,790**

Nine Months Ended September 30, 2021					
	Note	**Class A**	**Class C**	**Class F**	**Total**
Balance, beginning of period		83,362	375,223	57,217	515,802
Conversions	**6**	26,476	(3,096)	(23,380)	—
Net and comprehensive loss attributable to Unitholders		(747)	(2,378)	(173)	(3,298)
Balance, end of period		109,091	369,749	33,664	512,504

See accompanying notes to these unaudited condensed consolidated interim financial statements.

NORTHVIEW FUND
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(thousands of Canadian dollars)

		Three Months Ended September 30		Nine Months Ended September 30	
	Note	**2022**	**2021**	**2022**	**2021**
Operating activities					
Net and comprehensive income (loss)		**52,707**	839	**45,683**	(3,136)
Adjustments:					
Distributions to Unitholders	**6**	**11,287**	11,287	**33,863**	33,863
Depreciation and amortization		**840**	849	**2,551**	2,558
Equity income from joint ventures		**(373)**	(353)	**(953)**	(845)
Fair value (gain) loss on investment properties	**3**	**(50,249)**	5,586	**(40,309)**	15,384
Loss (gain) on disposition of assets		**12**	—	**12**	(36)
Amortization of fair value adjustment and deferred financing costs on mortgages payable	**4, 10**	**(1,789)**	(2,075)	**(5,504)**	(6,465)
Changes in non-cash working capital		**(2,992)**	(2,561)	**(3,978)**	(2,110)
Cash flows provided by operating activities		**9,443**	13,572	**31,365**	39,213
Financing activities					
Proceeds from mortgages	**4**	**26,744**	—	**97,645**	—
Repayment of mortgages	**4**	**(12,631)**	(7,608)	**(48,937)**	(22,769)
Payment of deferred financing costs	**4**	**(1,525)**	(161)	**(4,179)**	(176)
(Repayments) borrowings on credit facility, net	**5**	**(5,679)**	11,600	**(18,967)**	26,600
Distributions paid to Unitholders	**6**	**(11,287)**	(11,287)	**(33,863)**	(33,863)
Distributions to non-controlling interest		**(32)**	(12)	**(97)**	(260)
Cash flows used in financing activities		**(4,410)**	(7,468)	**(8,398)**	(30,468)
Investing activities					
Capital expenditures on investment properties	**3**	**(4,593)**	(5,616)	**(14,576)**	(15,349)
Proceeds from sale of assets		**560**	—	**560**	65
Capital expenditures on property, plant and equipment		**(40)**	(68)	**(157)**	(157)
Distributions received from equity investees		**263**	—	**788**	1,397
Cash flows used in investing activities		**(3,810)**	(5,684)	**(13,385)**	(14,044)
Net increase (decrease) in cash and cash equivalents		**1,223**	420	**9,582**	(5,299)
Cash and cash equivalents, beginning of period		**19,671**	19,618	**11,312**	25,337
Cash and cash equivalents, end of period		**20,894**	20,038	**20,894**	20,038
Supplementary information for cash flows provided by operating activities					
Cash interest paid		**14,760**	11,052	**38,837**	33,096

See accompanying notes to these unaudited condensed consolidated interim financial statements.

1. DESCRIPTION OF THE REPORTING ENTITY

Northview Fund ("Northview") is a closed-end fund, as no further Units will be issued, formed in 2020 pursuant to an initial declaration of trust dated April 14, 2020 and amended and restated on February 15, 2022 (the "Declaration of Trust"). Northview was established under the laws of the province of Ontario. The head and registered office of Northview is located at Suite 200, 6131 6 Street SE, Calgary, Alberta, T2H 1L9. Northview's Class A Units ("Class A Units") trade on the Toronto Stock Exchange ("TSX") under the symbol "NHF.UN".

Northview was formed to acquire, own, and operate, indirectly, a geographically diversified portfolio comprised of income producing multi-residential suites, commercial real estate, and execusuites located primarily in secondary markets in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories, and Nunavut (the "Portfolio").

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation and statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed consolidated interim financial statements should be read in conjunction with Northview's audited consolidated financial statements for the year ended December 31, 2021. These unaudited condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as Northview's audited consolidated financial statements for the year ended December 31, 2021.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Trustees of Northview (the "Trustees") on November 10, 2022.

B. Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, differ from the actual results. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and management's most critical judgements in applying accounting policies.

Northview carries its investment properties at fair value. Significant estimates used in determining the fair value of Northview's investment properties include capitalization rates and projected stabilized net operating income ("NOI"). A change to either of these inputs could significantly alter the fair value of an investment property. Economic uncertainty and geopolitical risk have resulted in a temporarily higher degree of uncertainty for investment property values.

Components of projected stabilized NOI that could be impacted by economic uncertainty include market rents, occupancy rates, and operating expenses, including utilities and bad debt expenses, as well as the impact of inflation rates. In addition, capitalization rates could be impacted by economic uncertainty, including supply and demand and the confidence of market participants. As at September 30, 2022, management believed that there had not been a material impact to any of these inputs and that the longer-term implications could not be reasonably estimated. The longer-term impact that the increased economic uncertainty may have on capitalization rates and projected stabilized NOI may depend on the extent and effectiveness of government stimulus and regulations that impact Northview's operations and tenants, unemployment rates, inflation rates, interest rates, and market demand for multi-residential and commercial properties.

While investment properties are recorded at fair value, not every property is independently appraised every year. Significant judgement is applied in arriving at these fair values, particularly as the properties are in smaller communities with limited trading activity. Changes in the value of the investment properties impact net and comprehensive income (loss).

(thousands of Canadian dollars, except where indicated)

3. INVESTMENT PROPERTIES

The following table discloses the balance of investment properties:

	As at September 30, 2022	As at December 31, 2021
Investment properties	**1,809,783**	1,755,470
Land held for development	**19,208**	19,208
Balance, end of period	**1,828,991**	1,774,678

The following table reconciles the change in investment properties:

	2022
Balance at January 1	**1,774,678**
Capital expenditures on investment properties	**14,576**
Fair value gain on investment properties	**40,309**
Disposal	**(572)**
Balance at September 30	**1,828,991**

Northview uses the capitalization rate approach to value investment properties, whereby a projected stabilized NOI is divided by the capitalization rate. As at September 30, 2022, capitalization rates ranging from 4.25% to 11.00% were applied to a projected stabilized NOI (December 31, 2021 – 4.75% to 12.00%). The weighted average capitalization rate used to fair value Northview's investment properties as at September 30, 2022 was 7.18% (December 31, 2021 – 7.44%).

A summary of the capitalization rates for both the multi-residential segment and the commercial and execusuite segment used for valuations is outlined in the following table:

	As at September 30, 2022			As at December 31, 2021		
Regions	Minimum	Maximum	Weighted Average	Minimum	Maximum	Weighted Average
Northern Canada	**6.21%**	**11.00%**	**8.49%**	6.61%	12.00%	8.90%
Western Canada	**4.25%**	**11.00%**	**6.85%**	4.75%	11.00%	6.96%
Atlantic Canada	**4.25%**	**8.00%**	**5.56%**	4.75%	8.00%	5.78%
Overall	**4.25%**	**11.00%**	**7.18%**	4.75%	12.00%	7.44%

The following table outlines the impact of a 25-basis point change in capitalization rates on the fair value of investment properties:

	As at September 30, 2022			As at December 31, 2021		
Regions	Weighted Average	Increase	Decrease	Weighted Average	Increase	Decrease
Northern Canada	**8.49%**	**(20,979)**	**22,253**	8.90%	(19,308)	20,424
Western Canada	**6.85%**	**(22,737)**	**24,459**	6.96%	(22,010)	23,651
Atlantic Canada	**5.56%**	**(19,680)**	**21,534**	5.78%	(18,394)	20,058
Overall	**7.18%**	**(63,396)**	**68,246**	7.44%	(59,712)	64,133

The following table outlines the impact of a 250-basis point change in projected stabilized NOI on the fair value of investment properties:

	As at September 30, 2022		As at December 31, 2021	
Regions	Increase	Decrease	Increase	Decrease
Northern Canada	**18,332**	**(18,332)**	17,673	(17,673)
Western Canada	**16,147**	**(16,147)**	15,863	(15,863)
Atlantic Canada	**11,428**	**(11,428)**	11,086	(11,086)
Overall	**45,907**	**(45,907)**	44,622	(44,622)

(thousands of Canadian dollars, except where indicated)

4. MORTGAGES PAYABLE

The following table summarizes Northview's outstanding mortgages payable:

	As at September 30, 2022	As at December 31, 2021
Mortgages payable	**836,311**	787,602
Fair value adjustment upon assumption	**16,039**	21,697
Deferred financing costs	**(4,483)**	(457)
Balance, end of period	**847,867**	808,842
Current	**276,690**	238,603
Non-current	**571,177**	570,239
Balance, end of period	**847,867**	808,842

As at September 30, 2022, Northview had in place mortgages that bore interest at rates ranging from 1.21% to 6.48% (December 31, 2021 – 0.74% to 6.48%) and had a weighted average rate of 3.19% (December 31, 2021 – 2.87%). The mortgages mature between 2022 and 2030 (December 31, 2021 – 2022 and 2030) and are secured by charges against specific properties. Land and buildings with a carrying value of $1.6 billion (December 31, 2021 – $1.5 billion) have been pledged to secure Northview's mortgages payable.

The fair value of mortgages payable as at September 30, 2022 was approximately $802.7 million (December 31, 2021 – $797.4 million). The fair value is determined by discounting the future cash payments by the current market borrowing rate. The majority of the mortgages on Northview's investment properties are insured by Canada Mortgage and Housing Corporation ("CMHC"). Pursuant to standard mortgage terms, mortgagees have security interest in the specified property. In addition, certain investment properties are cross-securitized, providing the lender with security rights to those properties.

As at September 30, 2022, Northview's mortgage maturity schedule and weighted average interest rate for the twelve-month periods ended September 30 were as follows:

	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
2023	25,207	245,169	270,376	32.3%	3.51%
2024	18,768	133,169	151,937	18.2%	3.09%
2025	13,172	141,908	155,080	18.5%	3.04%
2026	6,607	86,686	93,293	11.2%	2.32%
2027	3,754	96,254	100,008	12.0%	3.87%
Thereafter	3,802	61,815	65,617	7.8%	2.84%
Total	**71,310**	**765,001**	**836,311**	**100.0%**	**3.19%**

The following table reconciles the change in mortgages payable:

	2022
Balance at January 1	**808,842**
Proceeds from new mortgages	**97,645**
Repayment of mortgages	**(48,937)**
Payment of deferred financing costs	**(4,179)**
Amortization of deferred financing costs	**154**
Amortization of fair value adjustment	**(5,658)**
Balance at September 30	**847,867**

5. CREDIT FACILITY

As at September 30, 2022, Northview had in place a credit facility with a total credit limit of $544.1 million maturing on October 30, 2023 (December 31, 2021 – $539.1 million maturing on October 30, 2022). The credit facility includes multiple tranches that each bore interest at the prime rate plus 2.65% or the Bankers' Acceptance ("BA") rate plus 3.65%.

(thousands of Canadian dollars, except where indicated)

In February 2022, Northview executed an amendment to its credit facility. This amendment provided for a one-year extension to the maturity date of the credit facility to October 30, 2023, included an additional $75.0 million facility (the "Tranche B-3 Term Facility"), and included other administrative amendments to covenants and repayments.

In July 2022, Northview executed an additional amendment to its credit facility. This amendment changed inputs used in the calculation of the mortgageability amount and amended the limit for the debt service coverage ratio, a financial covenant, to 1.40 from 1.60.

The terms of the credit facility were as follows:

	As at September 30, 2022		As at December 31, 2021	
	Credit Limit	**Amount Drawn**	**Credit Limit**	**Amount Drawn**
Tranche A-1 Facility	**326,782**	**326,782**	381,596	381,596
Tranche A-2 Facility	**90,328**	**90,328**	105,481	105,481
Tranche B Facility	**32,000**	**14,600**	32,000	6,600
Tranche B-2 Revolving Facility	**20,000**	**20,000**	20,000	20,000
Tranche B-3 Term Facility	**75,000**	**43,000**	—	—
Total	**544,110**	**494,710**	539,077	513,677

The Tranche A-1 Facility and the Tranche A-2 Facility are non-revolving term loan facilities that were each available by a single prime loan advance on October 30, 2020. The Tranche B Facility is a non-revolving capital expenditure loan facility on which draws may occur no more than once per fiscal quarter in an amount of up to 75% of allowable capital expenditure costs incurred. The Tranche B-2 Revolving Facility is a facility available for general corporate, trust, or operating purposes. The Tranche B-3 Term Facility is a non-revolving facility on which draws may occur no more than once per fiscal quarter for the payment of mortgage principal amortization amounts.

As the Tranche A-1 Facility and the Tranche A-2 Facility are non-revolving term loan facilities, payments on the facilities reduce the credit limit available. For the nine months ended September 30, 2022, total repayments of $70.0 million reduced the credit limit on the Tranche A-1 Facility and Tranche A-2 Facility.

As at September 30, 2022 and December 31, 2021, substantially all investment properties have been pledged as collateral security for the operating facility. As at September 30, 2022, Northview had $0.8 million in letters of credit outstanding (December 31, 2021 – $0.1 million). The fair value of the credit facility approximates its carrying value due to the use of short-term borrowing instruments at market rates of interest.

The following table reconciles the change in the credit facility:

	2022
Balance at January 1	**513,677**
Borrowings on credit facility	**51,000**
Repayments on credit facility	**(69,967)**
Balance at September 30	**494,710**

Financial covenants

As at September 30, 2022, the credit facility was subject to the following financial covenants:

	Limit
Consolidated debt to aggregate assets	**Not greater than 75%**
Debt service coverage ratio	**Not less than 1.40**
Consolidated tangible net worth	**Not less than $350 million**
Physical occupancy rate	**Not less than 87%**

The financial covenants include financial measures defined within the credit facility agreement that are not defined under IFRS and cannot be directly derived from the unaudited condensed consolidated interim financial statements. These financial measures are defined under the credit facility agreement as follows:

- Consolidated debt: Includes all debts of the borrower determined in accordance with IFRS, excluding obligations owing under hedge agreements.
- Aggregate assets: Includes the appraised value of multi-residential rental and commercial real property.
- Debt service coverage ratio: Calculated as the ratio of adjusted NOI to debt service for the last four fiscal quarters. Debt service is calculated as the sum of consolidated interest expense and all regularly scheduled principal payments other than balloon, bullet, or similar payments that repay the debt in full.
- Consolidated tangible net worth: Includes stated capital or equivalent amounts in respect of issued and outstanding Units less amounts attributable to outstanding Units that are redeemable prior to the maturity date of the facility, amounts attributable to certain intangible assets, and amounts attributable to the interests of any unitholder in any subsidiary.
- Physical occupancy rate: Calculated as the percentage of the number of suites occupied by one or more tenants paying current rent divided by the total number of suites.

As at and during the nine months ended September 30, 2022, Northview was in compliance with all financial covenants. Refer to Note 8 for further discussion of Northview's objectives, policies, and processes for managing capital.

6. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The following table reconciles the change in Northview's Units:

(thousands of Units)	Class A	Class C	Class F	Total
Balance at January 1, 2022	**7,711**	**24,510**	**2,266**	**34,487**
Units issued on conversion	**396**	**(30)**	**(353)**	**13**
Balance at September 30, 2022	**8,107**	**24,480**	**1,913**	**34,500**

Distributions are determined at the sole discretion of the Trustees and are paid monthly. Distributions declared to Unitholders were as follows:

	Three Months Ended September 30				Nine Months Ended September 30			
	2022		2021		2022		2021	
	Monthly $/Unit	Total	Monthly $/Unit	Total	Monthly $/Unit	Total	Monthly $/Unit	Total
Class A	**0.1048**	**2,546**	0.1048	2,396	**0.1048**	**7,561**	0.1048	6,863
Class C	**0.1106**	**8,121**	0.1106	8,148	**0.1106**	**24,373**	0.1106	24,521
Class F	**0.1081**	**620**	0.1081	743	**0.1081**	**1,929**	0.1081	2,479
	0.1091	**11,287**	0.1092	11,287	**0.1091**	**33,863**	0.1092	33,863

Subsequent to the end of the period and prior to the unaudited condensed consolidated interim financial statements being authorized for issue on November 10, 2022, Northview declared monthly distributions totaling $3.8 million.

7. FAIR VALUE, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a. Fair value measures

As at September 30, 2022, the only recurring fair value measure in these unaudited condensed consolidated interim financial statements relates to Northview's investment properties. For the periods presented, the fair value of investment properties is classified as Level 3 in the fair value hierarchy and there were no transfers between levels.

The following summarizes the significant methods and assumptions used in estimating the fair value of Northview's investment properties, as well as other fair value disclosures in these financial statements.

(thousands of Canadian dollars, except where indicated)

i. Investment properties

Northview determined the fair value of each investment property using the valuation methodology and key assumptions described in Note 2(B). Refer to Note 3 for a reconciliation of the fair value of investment properties for the nine months ended September 30, 2022.

ii. Mortgages payable

The fair value of mortgages payable is estimated based on the present value of future payments, discounted at the yield on a Government of Canada bond with the nearest maturity date to the underlying mortgage, plus an estimated credit spread at the reporting date for a comparable mortgage or the yield of a comparable mortgage. As at September 30, 2022, the spread rates referenced maturities of up to ten years and ranged from 1.09% to 2.46% (December 31, 2021 – 0.85% to 2.12%), depending on the nature and terms of the respective mortgages.

iii. Liquidity risk

Liquidity risk is the risk that Northview is not able to meet its financial obligations as they fall due or can do so only at excessive cost. Northview manages liquidity risk by managing mortgage and loan maturities. Cash flow projections are completed on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, and investment activities.

As at September 30, 2022, Northview had a working capital deficiency of $270.5 million (December 31, 2021 – $759.8 million), of which $276.7 million (December 31, 2021 – $238.6 million) was related to the current portion of mortgages payable and expected to be refinanced with new long-term mortgages. As at December 31, 2021, the current portion of credit facility borrowings consisted of all borrowings on the credit facility, for which the maturity was October 30, 2022. During the nine months ended September 30, 2022, the maturity was extended to October 30, 2023.

Contractual maturity for non-derivative financial liabilities as at September 30, 2022 were as follows:

	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 3 years	4 – 5 years	Over 5 years
Mortgages payable (principal and interest)	**836,311**	889,684	289,132	333,069	205,332	62,151
Credit facility	**494,710**	494,710	—	494,710	—	—
Trade and other payables[(1)]	**29,344**	29,344	29,344	—	—	—
Distributions payable	**3,763**	3,763	3,763	—	—	—
Total	**1,364,128**	1,417,501	322,239	827,779	205,332	62,151

(1) Security deposits payable are included in trade and other payables.

8. CAPITAL MANAGEMENT

Northview manages its capital through covenant compliance outlined in Note 5 and guidelines that are set out in the Declaration of Trust, including a maximum debt to gross book value ratio of 70.0%. Northview's capital consists of mortgages payable, borrowings on the credit facility, and Units. Northview previously reported an interest coverage ratio with reference to adjusted EBITDA as an alternate capital management measure. However, Northview has focused capital management on the credit facility covenant requirements and the debt to gross book value ratio as set out in the Declaration of Trust. Accordingly, Northview no longer reports an interest coverage ratio as an additional capital management metric.

Management monitors Northview's capital structure on an ongoing basis to determine the appropriate level of mortgages payable to be placed on specific properties. In determining the most appropriate debt, consideration is given to cash flow generated from the specific property, interest rate, amortization period, maturity, and debt service ratio. Northview has a credit facility that may be used to fund capital expenditures until specific mortgage debt is placed. In addition, Northview continues to monitor its capital structure and sources of financing, including amendments to the existing credit facility and/or establishing additional credit facilities.

(thousands of Canadian dollars, except where indicated)

The Declaration of Trust provides for a maximum debt to gross book value ratio of 70.0%. As at September 30, 2022, Northview's ratio of debt to gross book value was 66.9% as calculated in the table below (December 31, 2021 – 67.8%), which was in compliance with the Declaration of Trust. The portfolio premium included in the determination of debt to gross book value as at September 30, 2022 was $89.0 million (December 31, 2021 – $89.0 million), which was determined based on an appraisal of the Portfolio obtained for a plan of arrangement in 2020. Northview monitors capital on the basis of debt to gross book value to assess its leverage.

The following table calculates Northview's debt to gross book value ratio:

	Note	As at September 30, 2022	As at December 31, 2021
Credit facility	5	**494,710**	513,677
Mortgages payable	4	**836,311**	787,602
Less: Cash and cash equivalents		**(20,894)**	(11,312)
Total debt	A	**1,310,127**	1,289,967
Investment properties	3	**1,828,991**	1,774,678
Property, plant and equipment		**32,616**	35,000
Accumulated depreciation		**6,488**	3,947
Portfolio premium		**89,000**	89,000
Gross book value	B	**1,957,095**	1,902,625
Debt to gross book value	**A/B**	**66.9%**	67.8%

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table outlines revenue from contracts with customers and revenue from other sources:

	Three Months Ended September 30		Nine Months Ended September 30	
	2022	**2021**	**2022**	**2021**
Rental revenue	**36,433**	35,041	**99,880**	99,491
Revenue from contracts with customers				
Commercial common area maintenance services and execusuites	**3,288**	3,995	**10,753**	11,139
Residential service components	**9,676**	8,832	**35,644**	32,102
Other revenue	**306**	304	**964**	969
Revenue	**49,703**	48,172	**147,241**	143,701

10. FINANCING COSTS

The following table outlines financing costs:

	Three Months Ended September 30		Nine Months Ended September 30	
	2022	**2021**	**2022**	**2021**
Mortgage interest	**6,441**	5,695	**17,832**	17,146
Amortization of deferred financing costs	**80**	1	**154**	37
Amortization of fair value adjustment	**(1,869)**	(2,076)	**(5,658)**	(6,502)
Interest on credit facility	**8,529**	5,344	**21,371**	15,875
Other income	**(34)**	(345)	**(772)**	(914)
Financing costs	**13,147**	8,619	**32,927**	25,642

11. SEGMENTED INFORMATION

Management reviews operations by market segment. Northview's multi-residential segment is comprised of apartments, townhomes, and single-family rental suites, for which rental contracts are typically twelve months. The commercial and execusuite segment is comprised of office, industrial, and retail properties primarily in areas where Northview has residential operations, and execusuite properties that offer apartment style accommodation. Commercial lease terms are generally five years and execusuite rental periods range from several days to several months.

(thousands of Canadian dollars, except where indicated)

The following tables outline Northview's results by segment:

	Multi-Residential	Commercial and Execusuite	Total
Three Months Ended September 30, 2022			
Revenue	**39,486**	**10,217**	**49,703**
Operating expenses	**14,982**	**3,817**	**18,799**
Net operating income	**24,504**	**6,400**	**30,904**
Three Months Ended September 30, 2021			
Revenue	37,731	10,441	48,172
Operating expenses	14,166	3,817	17,983
Net operating income	23,565	6,624	30,189
Nine Months Ended September 30, 2022			
Revenue	**116,630**	**30,611**	**147,241**
Operating expenses	**50,429**	**12,649**	**63,078**
Net operating income	**66,201**	**17,962**	**84,163**
Nine Months Ended September 30, 2021			
Revenue	112,892	30,809	143,701
Operating expenses	46,883	12,067	58,950
Net operating income	66,009	18,742	84,751

	Multi-Residential	Commercial and Execusuite	Total
As at September 30, 2022			
Total assets	**1,592,241**	**324,379**	**1,916,620**
Investment properties	**1,560,128**	**268,863**	**1,828,991**
Total liabilities, excluding net assets attributable to Unitholders	**1,155,469**	**220,215**	**1,375,684**
As at December 31, 2021			
Total assets	1,536,955	316,141	1,853,096
Investment properties	1,513,900	260,778	1,774,678
Total liabilities, excluding net assets attributable to Unitholders	1,125,094	232,652	1,357,746