Northview™

Canadian High Yield Residential Fund

Unaudited Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2021

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(thousands of Canadian dollars)

	Note	As at June 30, 2021	As at December 31, 2020
Assets			
Non-current assets			
Investment properties	3	**1,789,078**	1,789,143
Property, plant and equipment		**36,538**	38,183
Investment in joint ventures		**11,919**	12,824
Other long-term assets		**2,976**	3,165
		1,840,511	1,843,315
Current assets			
Accounts receivable		**7,106**	5,804
Prepaid expenses and other assets		**5,469**	4,142
Cash and cash equivalents		**19,618**	25,337
		32,193	35,283
Total assets		**1,872,704**	1,878,598
Liabilities			
Non-current liabilities			
Mortgages payable	4	**628,464**	677,915
Credit facility	5	**502,077**	487,077
		1,130,541	1,164,992
Current liabilities			
Mortgages payable	4	**199,815**	169,930
Trade and other payables		**27,031**	24,136
Distributions payable	6	**3,763**	3,763
		230,609	197,829
Total liabilities, excluding net assets attributable to Unitholders		**1,361,150**	1,362,821
Net assets attributable to Unitholders		**510,714**	514,797
Total liabilities, net assets attributable to Unitholders		**1,871,864**	1,877,618
Equity			
Non-controlling interest		**840**	980
Total equity		**840**	980
Total liabilities, net assets attributable to Unitholders, and equity		**1,872,704**	1,878,598

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

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF NET AND COMPREHENSIVE LOSS
(thousands of Canadian dollars)

	Note	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Revenue	9	47,681	95,529
Operating expenses		20,060	40,967
Net operating income		27,621	54,562
Other expense (income)			
Distributions to Unitholders	6	11,288	22,576
Financing costs from operations	4, 10	8,516	17,023
Administration		1,956	3,748
Management fees		1,695	3,345
Depreciation and amortization		879	1,709
Equity income from joint ventures		(254)	(492)
Fair value loss on investment properties	3	6,269	9,798
Gain on disposition of property, plant and equipment		(36)	(36)
Transaction costs		-	866
		30,313	58,537
Net and comprehensive loss		(2,692)	(3,975)
Net and comprehensive (loss) income attributable to:			
Unitholders		(2,748)	(4,083)
Non-controlling interest		56	108
Net and comprehensive loss		(2,692)	(3,975)

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

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(thousands of Canadian dollars)

Six Months Ended June 30, 2021					
	Note	**Class A**	**Class C**	**Class F**	**Total**
Balance, beginning of period		83,201	374,496	57,100	**514,797**
Conversions	**6**	24,761	(2,006)	(22,755)	**-**
Net and comprehensive loss attributable to Unitholders		(877)	(2,954)	(252)	**(4,083)**
Balance, end of period		**107,085**	**369,536**	**34,093**	**510,714**

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

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(thousands of Canadian dollars)

	Note	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Operating activities			
Net and comprehensive loss		(2,692)	(3,975)
Adjustments:			
Distributions to Unitholders	6	11,288	22,576
Depreciation and amortization		879	1,709
Equity income from joint ventures		(254)	(492)
Fair value loss on investment properties	3	6,269	9,798
Gain on disposition of property, plant and equipment		(36)	(36)
Amortization of fair value adjustment and deferred financing costs on mortgages payable	4, 10	(2,136)	(4,390)
Changes in non-cash working capital		540	451
Cash flows provided by operating activities		13,858	25,641
Financing activities			
Repayment of mortgages	4	(7,706)	(15,176)
Borrowings on credit facility	5	15,000	15,000
Distributions paid to Unitholders	6	(11,288)	(22,576)
Distributions to non-controlling interest		(11)	(248)
Cash flows used in financing activities		(4,005)	(23,000)
Investing activities			
Capital expenditures on investment properties	3	(6,190)	(9,733)
Proceeds from sale of assets		65	65
Capital expenditures on property, plant and equipment		(53)	(89)
Distributions received from equity investees		1,397	1,397
Cash flows used in investing activities		(4,781)	(8,360)
Net increase (decrease) in cash and cash equivalents		5,072	(5,719)
Cash and cash equivalents, beginning of period		14,546	25,337
Cash and cash equivalents, end of period		19,618	19,618
Supplementary information for cash provided by operating activities			
Cash interest paid		10,934	22,044

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

1. DESCRIPTION OF THE REPORTING ENTITY

Northview Canadian High Yield Residential 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 September 29, 2020 (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 1400, 3280 Bloor Street West, Centre Tower, Toronto, Ontario, M8X 2X3. The principal business 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 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"). On November 2, 2020, Northview commenced its operating activities upon completion of plan of arrangement with Northview Apartment Real Estate Investment Trust, resulting in Northview obtaining control of 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 consolidated financial statements for the period ended December 31, 2020. These unaudited condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as Northview's consolidated financial statements for the period from April 14, 2020 (date of formation) to December 31, 2020.

The unaudited condensed consolidated interim financial statements do not include comparative information for the prior year as Northview was formed on April 14, 2020 and did not have operating activities until November 2, 2020. The operating results for the three and six months ended June 30, 2021 are not necessarily indicative of results that may be expected for the year ended December 31, 2021 due to seasonal variations in utility costs and other factors.

These unaudited condensed consolidated interim financial statements were authorized for issuance by the Board of Trustees of Northview (the "Trustees") on August 5, 2021.

B. Critical accounting estimates and judgments

The preparation of financial statements requires management to make estimates and judgments about the future. Estimates and judgments 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 judgments in applying accounting policies. Actual results may differ from these estimates.

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"), which is influenced by inflation rates and vacancy rates. A change to any one of these inputs could significantly alter the fair value of an investment property. The COVID-19 pandemic has created an uncertain economic outlook, which has resulted in a temporarily higher degree of uncertainty for investment property values.

(thousands of Canadian dollars except where indicated)

Components of stabilized projected NOI that could be impacted by the increased economic uncertainty described above include market rents, occupancy rates, and operating expenses such as utilities and bad debt expenses. As at June 30, 2021, 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 will depend on the duration of physical distancing requirements, the extent and effectiveness of government stimulus and regulations that impact Northview's operations and tenants, unemployment 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 judgment is applied in arriving at these fair values, particularly as the properties are in secondary markets where there is limited buying and selling of comparable investment properties. Changes in the fair value of the investment properties impact net and comprehensive income (loss).

3. INVESTMENT PROPERTIES

The following table discloses the balance of investment properties:

	As at June 30, 2021	As at December 31, 2020
Investment properties	**1,769,870**	1,769,935
Land held for development	**19,208**	19,208
Balance, end of period	**1,789,078**	1,789,143

The following table reconciles the change in investment properties:

	2021
Balance at January 1	**1,789,143**
Capital expenditures on investment properties	**9,733**
Fair value loss on investment properties	**(9,798)**
Balance, end of period	**1,789,078**

Northview uses the capitalization rate approach to value investment properties, whereby a projected stabilized NOI is divided by the capitalization rate. As at June 30, 2021, capitalization rates ranging from 4.75% to 12.00% were applied to a projected stabilized NOI (December 31, 2020 – 4.75% to 12.00%). The weighted average capitalization rate used to fair value Northview's investment properties as at June 30, 2021 was 7.56% (December 31, 2020 – 7.56%).

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 June 30, 2021			As at December 31, 2020		
Regions	Minimum	Maximum	Weighted Average	Minimum	Maximum	Weighted Average
Northern Canada	**6.61%**	**12.00%**	**8.91%**	6.61%	12.00%	8.91%
Western Canada	**4.75%**	**11.00%**	**7.00%**	4.75%	11.00%	7.00%
Atlantic Canada	**5.25%**	**8.50%**	**6.25%**	5.25%	8.50%	6.25%
Overall	**4.75%**	**12.00%**	**7.56%**	4.75%	12.00%	7.56%

(thousands of Canadian dollars except where indicated)

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

	As at June 30, 2021			As at December 31, 2020		
Regions	**Weighted Average**	**Increase**	**Decrease**	**Weighted Average**	**Increase**	**Decrease**
Northern Canada	**8.91%**	**(19,315)**	**20,430**	8.91%	(19,299)	20,413
Western Canada	**7.00%**	**(22,476)**	**24,143**	7.00%	(22,968)	24,671
Atlantic Canada	**6.25%**	**(16,142)**	**17,487**	6.25%	(16,151)	17,496
Overall	**7.56%**	**(57,933)**	**62,060**	7.56%	(58,418)	62,580

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

	As June 30, 2021		As at December 31, 2020	
Regions	**Increase**	**Decrease**	**Increase**	**Decrease**
Northern Canada	**17,698**	**(17,698)**	17,683	(17,683)
Western Canada	**16,285**	**(16,285)**	16,641	(16,641)
Atlantic Canada	**10,495**	**(10,495)**	10,503	(10,503)
Overall	**44,478**	**(44,478)**	44,827	(44,827)

4. MORTGAGES PAYABLE

The following table summarizes Northview's outstanding mortgages payable:

	As at June 30, 2021	As at December 31, 2020
Mortgages payable	**802,493**	817,645
Fair value adjustment upon assumption	**25,821**	30,248
Deferred financing costs	**(35)**	(48)
Balance, end of period	**828,279**	847,845

Current	**199,815**	169,930
Non-current	**628,464**	677,915
Balance, end of period	**828,279**	847,845

As at June 30, 2021, Northview had in place mortgages that bore interest at rates ranging from 0.74% to 6.48% (December 31, 2020 – 0.74% to 6.48%) and had a weighted average rate of 2.87% (December 31, 2020 – 2.87%). The mortgages mature between 2021 and 2030 (December 31, 2020 – 2021 and 2030) and are secured by charges against specific properties. Land and buildings with a carrying value of $1.5 billion (December 31, 2020 – $1.5 billion) have been pledged to secure Northview's mortgages payable.

The fair value of mortgages payable at June 30, 2021 was approximately $821.9 million (December 31, 2020 – $847.9 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.

(thousands of Canadian dollars except where indicated)

The following table outlines Northview's mortgage maturity schedule and weighted average interest rate as at June 30, 2021:

	Principal Amount	Principal on Maturity	Total	% of Total	Weighted Average Interest Rate
2021	25,651	166,249	191,900	23.9%	2.79%
2022	23,080	79,820	102,900	12.8%	2.77%
2023	18,741	137,482	156,223	19.5%	3.21%
2024	13,571	159,792	173,363	21.6%	3.01%
2025	5,827	62,333	68,160	8.5%	2.59%
Thereafter	7,096	102,851	109,947	13.7%	2.62%
Total	**93,966**	**708,527**	**802,493**	**100.0%**	**2.87%**

The following table reconciles the change in Northview's mortgages payable:

	Note	2021
Balance at January 1		**847,845**
Repayment of mortgages		**(15,176)**
Amortization of deferred financing costs	**10**	**36**
Amortization of fair value adjustment	**10**	**(4,426)**
Balance, end of period		**828,279**

5. CREDIT FACILITY

As at June 30, 2021, Northview had in place a credit facility with a total credit limit of $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%. The terms of the credit facility were as follows:

	As at June 30, 2021		As at December 31, 2020	
	Credit Limit	Amount Drawn	Credit Limit	Amount Drawn
Tranche A-1 Facility	**381,596**	**381,596**	381,596	381,596
Tranche A-2 Facility	**105,481**	**105,481**	105,481	105,481
Tranche B Facility	**32,000**	**-**	32,000	-
Tranche B-2 Revolving Facility	**20,000**	**15,000**	20,000	-
Total	**539,077**	**502,077**	539,077	487,077

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 Facility is a facility available for general corporate, trust, or operating purposes.

As at June 30, 2021, substantially all investment properties have been pledged as collateral security for the operating facility. Northview also has $0.1 million in letters of credit outstanding (December 31, 2020 – $0.3 million). The fair value of the credit facility is equal to its carrying value due to the use of short-term borrowing instruments at market rates of interest.

Financial covenants

As at June 30, 2021, the credit facility was subject to the following financial covenants:

	Limit
Consolidated debt to aggregate assets	**Not greater than 77.5%**
Annualized debt service coverage ratio	**Not less than 1.55**
Consolidated tangible net worth	**Not less than $250 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 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.
- Annualized debt service coverage ratio: Calculated as the ratio of adjusted NOI to debt service on an annualized basis. 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 six months ended June 30, 2021, these financial covenants are calculated on an annualized basis and 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:

(Units in thousands)	Class A Units	Class C Units	Class F Units	Total Units
Balance at January 1, 2021	5,827	24,776	3,820	**34,423**
Units issued on conversion	1,704	(152)	(1,496)	**56**
Balance, June 30, 2021	**7,531**	**24,624**	**2,324**	**34,479**

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

	Monthly Distributions Per Unit ($/Unit)	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Class A	0.1048	**2,299**	**4,467**
Class C	0.1106	**8,176**	**16,373**
Class F	0.1081	**813**	**1,736**
	0.1092	**11,288**	**22,576**

Subsequent to the end of the period and prior to the unaudited condensed consolidated interim financial statements being authorized for issue on August 5, 2021, Northview declared monthly distributions totaling $3.8 million.

(thousands of Canadian dollars except where indicated)

7. FAIR VALUE, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value measures

As at June 30, 2021, the only recurring fair value measure in these unaudited condensed consolidated interim financial statements relates to Northview's investment properties. For the period presented, the fair value of the 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 fair values of Northview's investment properties as well as other fair value disclosures in these financial statements:

(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 six months ended June 30, 2021.

(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 June 30, 2021, the spread rates referenced maturities of up to ten years and ranged from 0.63% to 2.09% (December 31, 2020 – 0.24% to 2.35%), 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 June 30, 2021, Northview had a working capital deficiency of $198.4 million (December 31, 2020 – $162.5 million), of which $199.8 million was related to the current portion of mortgages payable and expected to be refinanced with long-term mortgages (December 31, 2020 – $169.9 million).

Contractual maturity for non-derivative financial liabilities as at June 30, 2021:

	Carrying Amount	**Contractual Cash Flows**	**Up to 1 year**	**1 – 3 years**	**4 – 5 years**	**Over 5 years**
Mortgages payable (principal and interest)	**802,493**	856,337	211,179	288,442	253,282	103,434
Credit facility	**502,077**	502,077	-	502,077	-	-
Trade and other payables[1]	**27,031**	27,031	27,031	-	-	-
Distributions payable	**3,763**	3,763	3,763	-	-	-
Total	**1,335,364**	**1,389,208**	**241,973**	**790,519**	**253,282**	**103,434**

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

(thousands of Canadian dollars except where indicated)

8. CAPITAL MANAGEMENT

Northview's objectives when managing its capital are to safeguard its assets while maintaining the sustainability of cash distributions. Northview's capital consists of mortgages payable, borrowings on the credit facility, and Units. Northview follows guidelines that are set out in the Declaration of Trust, including a maximum debt to gross book value ratio of 70%.

Management monitors Northview's capital structure on an ongoing basis to determine the appropriate level of mortgages payable to be placed on specific properties at the time of acquisition or when existing debt matures. 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.

As at June 30, 2021, Northview's ratio of debt to gross book value was 67.0% (December 31, 2020 – 66.7%), which is in compliance with the Declaration of Trust. The portfolio premium included in the determination of debt to gross book value as at June 30, 2021 and December 31, 2020 was $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.

Northview's interest coverage and debt service coverage ratios were 2.72 and 1.46, respectively, for the period ended June 30, 2021. These ratios were calculated for the period from November 2, 2020, the date on which Northview began operations, to June 30, 2021. Northview monitors its interest and debt service coverage ratios to assess its ability to service payments on its debt. The debt service coverage ratio includes the impact of principal repayments excluding one-time lump sum payments at maturity.

The debt service coverage ratio for the period ended June 30, 2021 shown below is calculated with reference to adjusted EBITDA, while the debt service coverage ratio used as a financial covenant for the credit facility is calculated with reference to adjusted NOI. As such, the calculation below is not comparable to the annualized debt service coverage ratio minimum of 1.55 required under the credit facility agreement.

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

	Note		As at June 30, 2021	As at December 31, 2020
Credit facility	5		**502,077**	487,077
Mortgages payable	4		**802,493**	817,645
Less: Cash and cash equivalents			**(19,618)**	(25,337)
Total debt		A	**1,284,952**	1,279,385
Investment properties	3		**1,789,078**	1,789,143
Property, plant and equipment			**36,538**	38,183
Accumulated depreciation			**2,261**	566
Portfolio premium			**89,000**	89,000
Gross book value		B	**1,916,877**	1,916,892
Debt to gross book value		A/B	**67.0%**	66.7%

(thousands of Canadian dollars except where indicated)

The following table calculates Northview's interest coverage and debt service coverage ratios:

		Period Ended June 30, 2021[1]
Net and comprehensive income		**85,689**
Depreciation and amortization		**2,273**
Mortgage interest		**15,360**
Amortization of deferred financing costs and fair value of debt		**(5,888)**
Interest expense on the credit facility		**13,935**
Distributions to Unitholders		**30,101**
Fair value loss on investment properties		**7,000**
Gain on business combination		**(104,528)**
Gain on disposition of property, plant and equipment		**(36)**
Transaction costs		**19,737**
Adjusted EBITDA	**A**	**63,643**
Mortgage interest		**15,360**
Amortization of deferred financing costs and fair value of debt		**(5,888)**
Interest expense on the credit facility		**13,935**
Interest expense	**B**	**23,407**
Principal payments on mortgages[2]		**20,236**
Debt service	**C**	**43,643**
Interest coverage ratio	**A/B**	**2.72**
Debt service coverage ratio	**A/C**	**1.46**

(1) Coverage ratios are calculated for the period from November 2, 2020 – June 30, 2021.

(2) Principal payments on outstanding mortgages excluding one-time lump sum payments at maturity.

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers and revenue from other sources is outlined in the following table:

	Three Months ended June 30, 2021	Six Months Ended June 30, 2021
Rental revenue	**33,433**	**64,450**
Revenue from contracts with customers		
Commercial common area maintenance services and execusuites	**3,323**	**7,144**
Residential service components	**10,587**	**23,270**
Other revenue	**338**	**665**
Total revenue	**47,681**	**95,529**

(thousands of Canadian dollars except where indicated)

10. FINANCING COSTS FROM OPERATIONS

Financing costs from operations were comprised of the following:

	Note	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Mortgage interest		5,605	11,451
Amortization of deferred financing costs	4	16	36
Amortization of fair value of debt	4	(2,152)	(4,426)
Interest on credit facility		5,284	10,531
Other income		(237)	(569)
Total		8,516	17,023

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 periods are typically twelve months. The commercial and execusuites 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.

The following tables outline Northview's results by segment:

	Multi-Residential	Commercial and Execusuite	Total
Three Months Ended June 30, 2021			
Revenue	37,753	9,928	47,681
Operating expenses	16,070	3,990	20,060
Net operating income	21,683	5,938	27,621
Six Months Ended June 30, 2021			
Revenue	75,161	20,368	95,529
Operating expenses	32,717	8,250	40,967
Net operating income	42,444	12,118	54,562

	Multi-Residential	Commercial and Execusuite	Total
As at June 30, 2021			
Total assets	1,560,305	312,399	1,872,704
Investment properties	1,534,385	254,693	1,789,078
Total liabilities, excluding net assets attributable to Unitholders	1,125,856	235,294	1,361,150
As at December 31, 2020			
Total assets	1,566,091	312,507	1,878,598
Investment properties	1,534,450	254,693	1,789,143
Total liabilities, excluding net assets attributable to Unitholders	1,133,094	229,727	1,362,821