

# NORTHVIEW RESIDENTIAL REIT ANNOUNCES ANOTHER QUARTER OF OCCUPANCY GAINS AND STRONG SAME DOOR NOI GROWTH OF 18.2% IN WESTERN CANADA MULTI-RESIDENTIAL



Calgary, Alberta – **August 8, 2024** – Northview Residential REIT (“Northview” or the “REIT”) (NRR.UN – TSX), today announced financial results for the three and six months ended June 30, 2024.

## Q2 2024 HIGHLIGHTS

- Net operating income (“NOI”) of \$41.6 million increased 35.8% from Q2 2023
- Same door<sup>(1)</sup> NOI of \$32.4 million resulting in growth of 5.8% compared to Q2 2023
- Western Canada multi-residential led same door NOI growth at 18.2% resulting from same door average monthly rent (“AMR”)<sup>(1)</sup> growth of 7.8% and same door occupancy gains of 340 bps compared to Q2 2023
- AMR improvements across all regions with growth of 4.5% compared to Q2 2023
- Multi-residential occupancy<sup>(1)</sup> improved by 200 bps to 96.1% from Q2 2023
- Funds from operations (“FFO”)<sup>(2)</sup> per basic Unit of \$0.51 was lower than \$0.56 from Q2 2023
- FFO payout ratio - basic<sup>(2)</sup> for the twelve months ended June 30, 2024 was 64.2% compared to 101.6% of prior year

“Northview continues to deliver strong operating results with second quarter occupancy gains of 200 bps, AMR growth of 4.5%, and 9.4% same door multi-residential NOI growth. Western Canada continued to lead same door NOI growth at 18.2% driven by occupancy gains of 340 bps and 7.8% AMR growth over last year. Northview’s occupancy has grown significantly over the past three years, up 740 bps since inception in 2020 reaching 96.1%,” comments Mr. Todd Cook, President and Chief Executive Officer of Northview.

Mr. Cook continued, “We are progressing on non-core asset sales with prices in line or above IFRS fair values and are on track to meet our target of \$100 to \$150 million in dispositions. We are happy with Northview’s Unit price performance, which has increased by almost 25% since the start of this year. We believe Northview’s strong operating performance and focus on strengthening the balance sheet will continue to drive Unitholder value.”

“We are thankful that our Northview team and residents were able to safely evacuate from Jasper, Alberta due to the extreme wildfires. We believe there has been no significant damage to our buildings and are looking forward to getting our property ready for when our residents return to their homes,” concluded Mr. Cook.

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(1) Other Key Performance Indicator. See “Non-GAAP and Other Financial Measures” section of this news release.

(2) Non-GAAP financial measure or non-GAAP ratio. See “Non-GAAP and Other Financial Measures” section of this news release.

## FINANCIAL CONDITIONS AND OPERATING RESULTS

(thousands of dollars, except as indicated)	As at June 30, 2024	As at December 31, 2023
Total assets	2,749,526	2,748,450
Total liabilities	1,940,673	1,918,398
Credit facilities	340,484	348,576
Mortgages payable	1,389,112	1,378,394
Debt to gross book value <sup>(1)</sup>	65.3%	65.1%
Weighted average mortgage interest rate	3.78%	3.80%
Weighted average term to maturity (years)	4.9	4.7
Weighted average capitalization rate	6.41%	6.41%
Multi-residential occupancy <sup>(2)</sup>	96.1%	94.7%
AMR (\$) <sup>(2)</sup>	1,358	1,313

(thousands of dollars, except as indicated)	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Revenue	68,782	51,578	137,627	103,205
NOI	41,634	30,656	79,401	57,545
NOI margin <sup>(2)</sup>	60.5%	59.4%	57.7%	55.8%
Cash flows provided by operating activities	23,364	10,873	32,836	13,500
Distributions declared to Unitholders <sup>(1)</sup>	9,861	9,395	19,719	20,683
Distributions declared per Unit (\$/Unit)				
Class A Unit	0.2734	0.4578	0.5469	1.0078
Class C Unit	0.2734	0.4832	0.5469	1.0636
Class F Unit	0.2734	0.4723	0.5469	1.0396
FFO payout ratio – basic <sup>(3)(4)</sup>	64.2%	101.6%	64.2%	101.6%
AFFO payout ratio – basic <sup>(3)(4)</sup>	83.6%	140.6%	83.6%	140.6%
Net and comprehensive loss	(3,157)	(3,100)	(3,316)	(12,521)
Per basic unit (\$/Unit)	(0.09)	(0.15)	(0.09)	(0.61)
Per diluted unit (\$/Unit)	(0.08)	(0.15)	(0.08)	(0.61)
FFO <sup>(3)</sup>	18,496	11,435	31,602	18,517
Per basic unit (\$/Unit) <sup>(3)</sup>	0.51	0.56	0.88	0.90
Per diluted unit (\$/Unit) <sup>(3)</sup>	0.47	0.56	0.80	0.90
AFFO <sup>(3)</sup>	15,032	8,732	24,672	13,111
Per basic unit (\$/Unit) <sup>(3)</sup>	0.42	0.43	0.68	0.64
Per diluted unit (\$/Unit) <sup>(3)</sup>	0.38	0.43	0.63	0.64
Weighted average number of Units – basic (000's) <sup>(2)</sup>	36,056	20,524	36,056	20,524
Weighted average number of Units – diluted (000's) <sup>(2)</sup>	39,099	20,524	39,388	20,524

(1) Capital Management Measure. See “Non-GAAP and Other Financial Measures” section of this news release.

(2) Other Key Performance Indicator. See “Non-GAAP and Other Financial Measures” section of this news release.

(3) Non-GAAP financial measure or non-GAAP ratio. See “Non-GAAP and Other Financial Measures” section of this news release.

(4) Calculated on a trailing twelve months basis.

## HIGHLIGHTS

### NOI

NOI increased by \$11.0 million and \$21.9 million, or 35.8% and 38.0%, for the three and six months ended June 30, 2024, compared to the same periods last year. These increases were mainly due to NOI contributions from the new portfolios acquired in 2023 as part of the recapitalization event (the "Recapitalization Event") and same door NOI growth. The acquisitions contributed \$9.2 million and \$17.4 million, for the respective periods, and the results were consistent with management expectations.

### SAME DOOR NOI

Same door NOI growth was 5.8% and 7.7%, for the three and six months ended June 30, 2024, respectively, compared to 2023. Same door NOI growth was led by the multi-residential segment, largely driven by enhanced NOI delivery of 18.2% and 22.4%, for the respective periods, from Western Canada's continual strong AMR and occupancy gains.

During the second quarter, multi-residential same door AMR growth of 5.2% was driven by increases across all regions and same door occupancy improved by 200 bps to 96.1% from Q2 2023. These were mainly driven by Western Canada same door AMR growth of 7.8% and same door occupancy gains of 340 bps, respectively.

### FFO

FFO of \$18.5 million during the quarter was higher than \$11.4 million from the comparative period in 2023. For the six months ended June 30, 2024, FFO of \$31.6 million was higher than \$18.5 million from the second quarter of 2023. These increases were attributable to same door NOI growth, NOI contributions from acquisitions partially offset by associated incremental financing costs, net savings from the termination of the asset management agreement, and \$2.0 million of insurance proceeds mainly related to a claim for past fire damage of a property located in Iqaluit, NU.

FFO per basic Unit of \$0.51 and \$0.88, for the three and six months ended June 30, 2024, respectively, were lower than \$0.56 and \$0.90, from the comparative periods in 2023 due to additional Units issued in 2023, partially offset by higher FFO including insurance proceeds. FFO per diluted Unit of \$0.47 and \$0.80, for the three and six months ended June 30, 2024, respectively, were lower than \$0.56 and \$0.90, respectively, from the comparative periods mainly due to the dilutive impact of Redeemable Units.

### NET AND COMPREHENSIVE LOSS

Net and comprehensive loss of \$3.2 million for the second quarter was consistent with \$3.1 million from 2023. For the six months ended June 30, 2024, net and comprehensive loss of \$3.3 million was lower than \$12.5 million for the prior year. Results were driven by strong same door NOI, as well as NOI net of financing costs from acquisitions. Related to the Recapitalization Event, there were further changes in net and comprehensive loss from new items including the fair value loss on Exchangeable Units, accretion expense on Redeemable Units, and distributions declared on Trust Units that are now accounted for under equity.

### DISTRIBUTIONS

The FFO payout ratio for the twelve months ended June 30, 2024 improved to 64.2% compared to 101.6% for the same period in 2023 due to the distributions reduction in June 2023, the completion of the Recapitalization Event, and insurance proceeds.

## INTEREST EXPENSE

During the three and six months ended June 30, 2024, Northview completed \$55.6 million and \$127.4 million of mortgage financing at a weighted average interest rate of 4.46% and 4.67%, respectively. The net proceeds were used to repay \$10.1 million and \$31.6 million of borrowings on the credit facilities for the respective periods for which the floating rate was 8.71% and 8.80% for the three and six months ended June 30, 2024.

## ASSET DISPOSITIONS SUBSEQUENT TO QUARTER END

Subsequent to June 30, 2024, Northview completed \$23.7 million of asset sales and prices have been consistent with, or above, Northview's IFRS fair value of investment properties.

## NON-GAAP AND OTHER FINANCIAL MEASURES

Certain measures in this earnings release do not have any standardized meaning as prescribed by generally accepted accounting principles ("GAAP") and may, therefore, be considered non-GAAP financial measures, non-GAAP ratios, or other measures and may not be comparable to similar measures presented by other issuers. These measures are provided to enhance the readers' overall understanding of Northview's current financial condition and financial performance. They are included to provide investors and management with an alternative method for assessing our operating results in a manner that is focused on the performance of our ongoing operations and to provide a more consistent basis for comparison between periods. These measures include widely accepted measures of performance for Canadian real estate investment trusts; however, the measures are not defined by GAAP. In addition, these measures are subject to the interpretation of definitions by the preparers of financial statements and may not be applied consistently between real estate entities. These measures include:

- **Non-GAAP Financial Measures:** Adjusted funds from operations ("AFFO") and funds from operations ("FFO")
- **Non-GAAP Ratios:** AFFO payout ratio; AFFO per Unit, FFO payout ratio; and FFO per Unit
- **Capital Management Measures:** Distributions declared to Unitholders and debt to gross book value
- **Other Key Performance Indicators:** AMR; NOI margin; occupancy; same door revenue, expenses, net operating income, occupancy, and AMR; weighted average number of Units – basic; weighted average number of Units – diluted

For information on the most directly comparable GAAP measures, composition of the measures, a description of how Northview uses these measures, and an explanation of how these measures provide useful information to investors, refer to the "Non-GAAP and Other Financial Measures" section of Northview's Management Discussion and Analysis as at and for the three and six months ended June 30, 2024 and 2023, available on Northview's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com), which is incorporated by reference into this news release.

## NON-GAAP RECONCILIATION

The following table reconciles FFO and AFFO from net and comprehensive loss, the most directly comparable GAAP measure as presented in the unaudited condensed consolidated interim financial statements:

	Three Months Ended June 30		Six Months Ended June 30	
(thousands of dollars, except as indicated)	2024	2023	2024	2023
Net and comprehensive loss	(3,157)	(3,100)	(3,316)	(12,521)
Adjustments:				
Distributions <sup>(1)</sup>	929	9,395	1,858	20,683
Fair value loss on investment properties	5,643	4,309	13,385	8,687
Fair value loss on Exchangeable Units	11,890	—	13,420	—
Fair value loss on Restricted Units	44	—	44	—
Accretion on Redeemable Units	2,309	—	4,567	—
Depreciation	737	769	1,471	1,539
Other <sup>(2)</sup>	101	62	173	129
FFO <sup>(3)</sup>	18,496	11,435	31,602	18,517
Maintenance capex reserve – multi-residential	(3,282)	(2,537)	(6,566)	(5,074)
Maintenance capex reserve – commercial	(182)	(166)	(364)	(332)
AFFO <sup>(3)</sup>	15,032	8,732	24,672	13,111
<b>FFO</b>				
FFO per Unit – basic (\$/Unit) <sup>(3)</sup>	0.51	0.56	0.88	0.90
FFO per Unit – diluted (\$/Unit) <sup>(3)</sup>	0.47	0.56	0.80	0.90
FFO payout ratio – basic <sup>(3)(4)</sup>	64.2%	101.6%	64.2%	101.6%
FFO payout ratio – diluted <sup>(3)(4)</sup>	71.1%	101.6%	71.1%	101.6%
<b>AFFO</b>				
AFFO per Unit – basic (\$/Unit) <sup>(3)</sup>	0.42	0.43	0.68	0.64
AFFO per Unit – diluted (\$/Unit) <sup>(3)</sup>	0.38	0.43	0.63	0.64
AFFO payout ratio – basic <sup>(3)(4)</sup>	83.6%	140.6%	83.6%	140.6%
AFFO payout ratio – diluted <sup>(3)(4)</sup>	92.6%	140.6%	92.6%	140.6%
<b>Weighted average number of Units</b>				
Basic ('000s) <sup>(5)</sup>	36,056	20,524	36,056	20,524
Diluted ('000s) <sup>(5)</sup>	39,099	20,524	39,388	20,524

## FINANCIAL INFORMATION

Northview's unaudited condensed consolidated interim financial statements, the notes thereto, and Management's Discussion and Analysis for the three and six months ended June 30, 2024 and 2023, can be found on Northview's website at [www.rentnorthview.com](http://www.rentnorthview.com) and on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

All amounts in this news release are in thousands of Canadian dollars unless otherwise indicated. In August 2023, Northview's units were consolidated on a 1.75 to 1.00 basis. All references to the number of units and per unit amounts in this news release have been restated and are reflected on a post-consolidation basis.

- (1) Current period reflects distributions on Exchangeable Units. The comparative period reflects distributions on Trust Units prior to reclassification from a financial liability to equity. Distributions on Redeemable Units are reflected in equity.
- (2) "Other" is comprised of non-controlling interest, amortization of other long-term assets, amortization of tenant inducements, and fair value adjustments for non-controlling interest and equity investments.
- (3) Non-GAAP financial measure or non-GAAP ratio. See "Non-GAAP and Other Financial Measures".
- (4) Calculated on a trailing twelve months basis.
- (5) See "Non-GAAP and Other Financial Measures – Other Key Performance Indicators".

## ABOUT NORTHVIEW RESIDENTIAL REIT

Northview is a publicly-traded real estate investment trust established pursuant to a declaration of trust under the laws of the province of Ontario for the primary purpose of acquiring, owning, and operating a portfolio of income-producing rental properties in secondary markets within Canada.

## CAUTIONARY AND FORWARD-LOOKING INFORMATION

Certain information contained in this news release constitutes forward-looking information within the meaning of applicable securities laws. Statements that reflect Northview's objectives, plans, goals, and strategies are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking information. In some instances, forward-looking information can be identified by the use of terms such as "may", "should", "expect", "will", "anticipate", "believe", "intend", "estimate", "predict", "potentially", "starting", "beginning", "begun", "moving", "continue", or other similar expressions concerning matters that are not historical facts. Forward-looking information in this news release includes, but is not limited to, future maintenance expenditures, financing and the availability of financing and the terms thereof, the replacement of floating-rate debt with fixed-rate debt, the ability to sell select assets, terms, or timing to be completed, the use of proceeds from any such sales, future economic conditions, the expected distributions of Northview, liquidity and capital resources, market trends, future operating efficiencies, tenant incentives, and occupancy levels. Such statements involve significant risks and uncertainties and are not meant to provide guarantees of future performance or results. These cautionary statements qualify all of the statements and information contained in this news release incorporating forward-looking information.

Forward-looking information is made as of August 8, 2024 and is based on information available to management as of that date. Management believes that the expectations reflected in forward-looking information are based upon reasonable assumptions; however, management can give no assurance that the actual results will be consistent with this forward-looking information. Factors that could cause actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking information include, but are not limited to, the risks identified in Northview's Management's Discussion and Analysis for the three and six months ended June 30, 2024 and 2023 and those discussed in Northview's other materials filed with the Canadian securities regulatory authorities from time to time, general economic conditions; the availability of a new competitive supply of real estate which may become available through construction; Northview's ability to maintain distributions at their current level; Northview's ability to maintain occupancy and the timely lease or re-lease of multi-residential suites, executives, and commercial space at current market rates; tenant defaults; changes in interest rates, which continue to be volatile and have trended upward since Northview's formation in 2020; changes in inflation rates, including increased expenses as a result thereof; Northview's qualification as a real estate investment trust; changes in operating costs; governmental regulations and taxation; fluctuations in commodity prices; and the availability of financing. Additional risks and uncertainties not presently known to Northview, or those risks and uncertainties that Northview currently believes to not be material, may also adversely affect Northview. Northview cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions, including those outlined in Note 2 of Northview's annual audited financial statements for the year ended December 31, 2023, prove incorrect, actual events, performance, and results may vary materially from those expected. Except as specifically required by applicable Canadian law, Northview assumes no obligation to update or revise publicly any forward-looking information to reflect new events or circumstances that may arise after August 8, 2024.

To learn more about Northview, visit [www.rentnorthview.com](http://www.rentnorthview.com) or contact:

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