

# NORTHVIEW RESIDENTIAL REIT REPORTS STRONG SAME DOOR NOI DRIVEN BY WESTERN CANADA MULTI-RESIDENTIAL GROWTH OF 13.8%



*Not for distribution to U.S. newswire services or for dissemination in the United States.*

Calgary, Alberta – **November 14, 2024** – Northview Residential REIT (“Northview” or the “REIT”) (NRR.UN – TSX), today announced financial results for the three and nine months ended September 30, 2024.

## **Q3 2024 HIGHLIGHTS AS COMPARED TO Q3 2023**

- Net operating income (“NOI”) of \$42.2 million increased 20.5%
- Same door<sup>(1)</sup> NOI of \$33.4 million resulting in growth of 8.9%
- Western Canada multi-residential led same door NOI growth at 13.8% resulting from average monthly rent (“AMR”) <sup>(1)</sup> growth of 8.8% and occupancy gains of 240 bps
- AMR improvements across all regions with growth of 6.9%
- Multi-residential occupancy<sup>(1)</sup> improved by 130 bps to 96.0%
- Funds from operations (“FFO”) <sup>(2)</sup> per basic Unit of \$0.48 increased from \$0.46
- Trailing twelve-month basic FFO payout ratio <sup>(2)</sup> was 62.3% compared to 98.6%
- Debt to gross book value<sup>(3)</sup> decreased to 64.9% compared to 65.1% as at December 31, 2023
- Completed \$56.6 million of non-core asset sales in 2024 as of today
- In October, the syndicated credit facility was amended to a \$285.0 million revolving facility with an interest rate spread decrease of 95 bps and a two-year maturity extension to December 31, 2026

“Northview’s strong performance continued through the third quarter with same door NOI growth of 8.9%, driven again by Western Canada, which delivered same door NOI growth of 13.8% through solid occupancy and AMR gains,” comments Mr. Todd Cook, President and Chief Executive Officer.

“We recently completed extensive amendments to our credit facility that significantly improves Northview’s financial stability, flexibility, and generates immediate cash savings from lower interest rates. In addition, we’ve completed over \$56 million in non-core asset sales to date, further reducing leverage. We remain committed to our target of \$100 to \$150 million in dispositions which is expected to be completed through 2026. Northview’s solid operating performance and commitment to strengthening the balance sheet will continue to drive value for our Unitholders,” concluded Mr. Cook.

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

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

<sup>(3)</sup> Capital Management Measure. 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	
	September 30, 2024	December 31, 2023
Total assets	2,714,586	2,748,450
Total liabilities	1,913,653	1,918,398
Credit facilities	307,897	348,576
Mortgages payable	1,388,745	1,378,394
Debt to gross book value <sup>(1)</sup>	64.9%	65.1%
Weighted average mortgage interest rate	3.84%	3.80%
Weighted average term to maturity (years)	4.8	4.7
Weighted average capitalization rate	6.42%	6.41%
Weighted average credit facility interest rate	8.32%	8.78%
Multi-residential occupancy <sup>(2)</sup>	96.0%	94.7%
AMR (\$) <sup>(2)</sup>	1,391	1,313

  

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Revenue	69,059	57,402	206,686	160,607
NOI	42,192	35,022	121,593	92,567
NOI margin <sup>(2)</sup>	61.1%	61.0%	58.8%	57.6%
Cash flows provided by operating activities	21,799	10,128	54,635	23,628
Distributions declared to Unitholders <sup>(1)</sup>	9,858	8,004	29,577	28,687
Distributions declared per Unit (\$/Unit)				
Class A Unit	0.2734	0.2734	0.8203	1.2812
Class C Unit	0.2734	0.2785	0.8203	1.3421
Class F Unit	0.2734	0.2763	0.8203	1.3160
FFO payout ratio <sup>(3)(4)</sup>	62.3%	98.6%	62.3%	98.6%
AFFO payout ratio <sup>(3)(4)</sup>	79.5%	139.5%	79.5%	139.5%
Net and comprehensive income (loss)	2,289	155,476	(1,027)	142,955
Per basic Unit (\$/Unit)	0.06	5.66	(0.03)	6.25
Per diluted Unit (\$/Unit)	0.06	5.28	(0.03)	6.16
FFO <sup>(3)</sup>	17,327	12,530	48,929	31,047
Per basic Unit (\$/Unit) <sup>(3)</sup>	0.48	0.46	1.36	1.36
Per diluted Unit (\$/Unit) <sup>(3)</sup>	0.45	0.43	1.26	1.34
AFFO <sup>(3)</sup>	13,901	9,246	38,573	22,357
Per basic Unit (\$/Unit) <sup>(3)</sup>	0.39	0.34	1.07	0.98
Per diluted Unit (\$/Unit) <sup>(3)</sup>	0.36	0.31	0.99	0.96
Weighted average number of Units – basic (000's) <sup>(2)</sup>	36,056	27,446	36,056	22,857
Weighted average number of Units – diluted (000's) <sup>(2)</sup>	38,198	29,460	38,948	23,208

(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 \$7.2 million and \$29.0 million, or 20.5% and 31.4%, for the three and nine months ended September 30, 2024, compared to the same periods last year. These increases were mainly due to \$4.7 million and \$22.2 million NOI contributions from the new portfolios acquired in 2023 as part of the recapitalization event (the "Recapitalization Event") and same door NOI growth.

### SAME DOOR NOI

Same door NOI growth was 8.9% and 8.1%, for the three and nine months ended September 30, 2024, respectively, compared to 2023. Same door NOI growth was led by the multi-residential segment, largely driven by Western Canada's enhanced NOI delivery of 13.8% and 19.2%, for the respective periods, driven by strong AMR and occupancy gains. Further driving these results, Northern Canada provided same door NOI growth of 11.8% driven by AMR and occupancy gains and lower comparative period which included rent abatements for tenants evacuated by the Yellowknife wildfires and Atlantic Canada provided same door NOI growth of 9.3% driven by AMR growth in New Brunswick and Nova Scotia.

During the third quarter, multi-residential AMR growth of 6.9% was driven by increases across all regions. Occupancy improved by 130bps to 96.0% when compared to Q3 2023. Western Canada was the most significant contributor to these gains with AMR growth of 8.8% and occupancy gains of 240 bps compared to the prior year.

### FFO

FFO of \$17.3 million and \$48.9 million for the three and nine months ended September 30, 2024, increased 38.3% and 57.6% from the comparative period in 2023. These increases were attributable to same door NOI growth and NOI contributions from acquisitions net of associated incremental financing costs.

FFO per basic Unit was \$0.48 and \$1.36, for the three and nine months ended September 30, 2024 compared to \$0.46 and \$1.36 for the comparative period due to higher FFO, partially offset by additional units issued in August 2023 as part of the Recapitalization Event.

FFO per diluted Unit increased to \$0.45 for the three months ended September 30, 2024, compared to \$0.43 for the comparative period mainly due to FFO growth and fewer additional Trust Units expected to be issued upon the redemption of Redeemable Units driven by the improvement in Northview's Class A Unit market price.

FFO per diluted Unit decreased to \$1.26, for the nine months ended September 30, 2024, compared to \$1.34, for the comparative period. Redeemable units were issued in August 2023 as part of the Recapitalization Event, as a result there was limited dilutive impact in the nine months comparative period.

### NET AND COMPREHENSIVE INCOME

Net and comprehensive income of \$2.3 million for the third quarter was lower than \$155.5 million from 2023. For the nine months ended September 30, 2024, net and comprehensive loss was \$1.0 million, compared to income of \$143.0 million for the prior year. These decreases were mainly due to the \$161.3 million fair value gain on investment properties recognized in 2023 related to the Recapitalization Event.

## **DISTRIBUTIONS**

The FFO payout ratio for the trailing twelve months ended September 30, 2024 improved to 62.3% compared to 98.6% for the same period in 2023 due to the distribution reduction in June 2023 and the completion of the Recapitalization Event.

## **FINANCING COSTS AND DEBT OPTIMIZATION**

During the three and nine months ended September 30, 2024, Northview completed \$54.4 million and \$181.9 million of mortgage financing at a weighted average interest rate of 4.77% and 4.70%, respectively. The net proceeds were used to repay \$17.5 million and \$49.0 million of borrowings on the credit facilities for which the floating rate was 8.26% and 8.32% for the three and nine months ended September 30, 2024 respectively, reflecting increase rate savings of approximately 350 bps.

On October 24, 2024, Northview executed extensive amendments to the syndicated credit facility which is expected to improve Northview's access to liquidity, reduce financing costs, and provide stability. The credit limit increased to \$285.0 million and the facility was restructured into a revolving facility, in which repayments increase credit availability, providing ongoing liquidity support. This facility will bear interest at the Canadian Overnight Repo Rate Average ("CORRA") rate plus 3.00%, decreasing the interest rate spread by 95 bps which is expected to result in credit facility interest savings. The maturity date was extended for two years to December 31, 2026 further providing stability.

On October 30, 2024, Northview also extended the maturity date of the term facility for two years to December 31, 2026 with the other terms unchanged.

As of September 30, 2024, debt to gross book value was 64.9%, a reduction of 20 bps compared to 65.1% as at December 31, 2023, mainly due to non-core asset sales and the use of proceeds to reduce credit facility debt.

## **ASSET DISPOSITIONS**

During the third quarter of 2024, Northview completed non-core asset sales of 226 multi-residential suites and 2,556 commercial sq. ft. for gross proceeds of \$24.7 million in Shediac, NB, Moncton, NB, and Iqaluit, NU.

Subsequent to September 30, 2024, Northview completed non-core asset sales of 377 multi-residential suites for gross proceeds of \$31.3 million in Gander, NL, Sept Iles, QC, and Iqaluit, NU.

Asset sale 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; and 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 months and nine months ended September 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 income (loss), the most directly comparable GAAP measure as presented in the unaudited condensed consolidated interim financial statements:

(thousands of dollars, except as indicated)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Net and comprehensive income (loss)	2,289	155,476	(1,027)	142,955
Adjustments:				
Distributions <sup>(1)</sup>	929	2,290	2,787	22,973
Fair value loss (gain) on investment properties	7,116	(168,509)	20,501	(159,822)
Fair value loss (gain) on Exchangeable Units	3,500	(5,089)	16,920	(5,089)
Fair value loss on Restricted Units	53	—	97	—
Accretion on Redeemable Units	2,176	954	6,743	954
Transaction costs on dispositions	408	—	408	—
Depreciation	729	736	2,200	2,275
Recapitalization Event costs	—	26,600	—	26,600
Other <sup>(2)</sup>	127	72	300	201
FFO <sup>(3)</sup>	17,327	12,530	48,929	31,047
Maintenance capex reserve – multi-residential	(3,244)	(3,103)	(9,810)	(8,177)
Maintenance capex reserve – commercial	(182)	(181)	(546)	(513)
AFFO <sup>(3)</sup>	13,901	9,246	38,573	22,357
<b>FFO</b>				
FFO per Unit – basic (\$/Unit) <sup>(3)</sup>	0.48	0.46	1.36	1.36
FFO per Unit – diluted (\$/Unit) <sup>(3)</sup>	0.45	0.43	1.26	1.34
FFO payout ratio – basic <sup>(3)(4)</sup>	62.3%	98.6%	62.3%	98.6%
FFO payout ratio – diluted <sup>(3)(4)</sup>	68.7%	99.9%	68.7%	99.9%
<b>AFFO</b>				
AFFO per Unit – basic (\$/Unit) <sup>(3)</sup>	0.39	0.34	1.07	0.98
AFFO per Unit – diluted (\$/Unit) <sup>(3)</sup>	0.36	0.31	0.99	0.96
AFFO payout ratio – basic <sup>(3)(4)</sup>	79.5%	139.5%	79.5%	139.5%
AFFO payout ratio – diluted <sup>(3)(4)</sup>	87.8%	141.4%	87.8%	141.4%
<b>Weighted average number of Units</b>				
Basic ('000s) <sup>(5)</sup>	36,056	27,446	36,056	22,857
Diluted ('000s) <sup>(5)</sup>	38,198	29,460	38,948	23,208

(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".

## FINANCIAL INFORMATION

Northview's unaudited condensed consolidated interim financial statements, the notes thereto, and Management's Discussion and Analysis for the three months and nine months ended September 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.

## 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 November 14, 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 months and nine months ended September 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, execusuites, 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 November 14, 2024.

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

Todd Cook  
President and Chief Executive Officer  
Northview Residential REIT  
Tel: (403) 531-0720  
Email: [tcook@nvreit.ca](mailto:tcook@nvreit.ca)

Sarah Walker  
Chief Financial Officer  
Northview Residential REIT  
Tel: (403) 531-0720  
Email: [swalker@nvreit.ca](mailto:swalker@nvreit.ca)