



OPTIMIZING A STRONG RENTAL MARKET

CASE STUDY: VALUE CREATION



INCREASING OCCUPANCY RATES AND GROWING RENTAL RATES

Rental residential properties have proven to be a valuable asset class. The attractiveness of the Morguard North American Residential REIT's properties is clearly shown in the levels of occupancy rates and growth in rental rates in the Canadian and U.S. market – which remain strong due to immigration and youth employment.

THE OPPORTUNITY

Use multi-suite residential properties to generate stable and growing cash distributions on a tax-efficient basis through geographic diversification, in Canada and the U.S., reducing vulnerability to economic fluctuations.

CATEGORY

Value Creation
Multi-Suite Residential
12,500+ Suites

OWNERSHIP

Owned – Morguard North American Residential REIT

SERVICES

Asset Management
Property Management
Leasing



THE VALUE PROPOSITION

CANADA

In Canada, the multi-suite residential sector has a long-term record of stable and healthy income. Rental market performance is strong due to an increase in immigration and youth employment – combined with healthy economic performance. National occupancy remains on average above 97%.

The investment performance outlook in Canada continues to predict peak property values with strong demand but limited supply of product.

U.S.

In the U.S., the multi-suite residential sector outperformed expectations for 2014. The national occupancy rate ended the year at 95%. The rental sector was stimulated by an improved fiscal outlook, strong job gains for young adults, and a sustained preference for renting.

The investment performance outlook in the U.S. calls for strong investor demand, improving property performance trends, and rising valuations. Debt terms are expected to stay favourable, supporting liquidity and interest rate movements.

THE RESULT

Delivered improved performance for unitholders by leveraging different but favourable multi-suite residential markets in Canada and the U.S., resulting in a \$0.19 increase in funds from operations per unit, year-over-year.

A disciplined acquisition strategy combined with a commitment to capital improvements and customer service will continue to provide positive returns and generate sustainable distributions for unitholders.

FURTHER INFORMATION

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[MORGUARD NORTH AMERICAN RESIDENTIAL REIT](#)



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SUSTAINABILITY



In Canada, the multi-suite residential sector has a long-term record of stable and healthy income.



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