



Real Estate Potential. *Realized.*



MORGUARD REAL ESTATE
INVESTMENT TRUST

MARCH 31, 2019

CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)

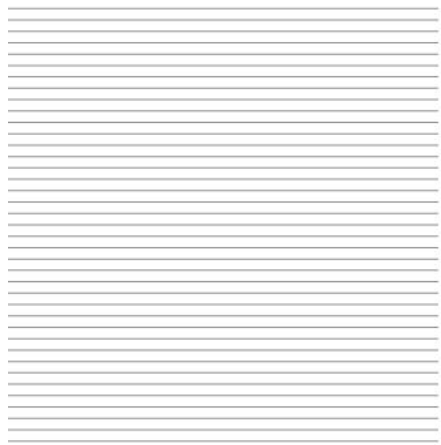


TABLE OF CONTENTS

| | Page |
|--|----------|
| BALANCE SHEETS | 3 |
| STATEMENTS OF INCOME AND COMPREHENSIVE INCOME | 4 |
| STATEMENTS OF UNITHOLDERS' EQUITY | 5 |
| STATEMENTS OF CASH FLOWS | 6 |
| NOTES TO CONSOLIDATED FINANCIAL STATEMENTS | 7 |

BALANCE SHEETS

In thousands of Canadian dollars

| As at | Note | March 31, 2019 | December 31, 2018 |
|--|-------|--------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Real estate properties | 4 | \$2,929,493 | \$2,915,592 |
| Right-of-use asset | 5 | 386 | — |
| Equity-accounted investment | 6 | 24,414 | 24,746 |
| | | 2,954,293 | 2,940,338 |
| Current assets | | | |
| Amounts receivable | | 17,839 | 17,016 |
| Morguard loan receivable | 15(b) | — | 10,000 |
| Prepaid expenses and other | | 8,909 | 567 |
| Cash | | 10,768 | 10,652 |
| | | 37,516 | 38,235 |
| Total assets | | \$2,991,809 | \$2,978,573 |
| LIABILITIES AND UNITHOLDERS' EQUITY | | | |
| Non-current liabilities | | | |
| Mortgages payable | 8 | \$916,076 | \$913,490 |
| Convertible debentures | 9 | 169,305 | 168,814 |
| Lease liabilities | 10 | 11,087 | — |
| Accounts payable and accrued liabilities | | 4,402 | 4,282 |
| | | 1,100,870 | 1,086,586 |
| Current liabilities | | | |
| Mortgages payable | 8 | 178,138 | 194,104 |
| Lease liabilities | 10 | 117 | — |
| Accounts payable and accrued liabilities | | 54,165 | 49,809 |
| Morguard loan payable | 15(b) | 43,500 | — |
| Bank indebtedness | 11 | 32,193 | 67,660 |
| | | 308,113 | 311,573 |
| Total liabilities | | 1,408,983 | 1,398,159 |
| Unitholders' equity | | 1,582,826 | 1,580,414 |
| | | \$2,991,809 | \$2,978,573 |
| Commitments and contingencies | 18 | | |

See accompanying notes to the condensed consolidated financial statements.

On behalf of the Trustees:*(Signed) "K. Rai Sahi"***K. Rai Sahi,
Chairman of the Board of Trustees***(Signed) "Bart S. Munn"***Bart S. Munn,
Trustee**

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

In thousands of Canadian dollars, except per unit amounts

| For the three months ended March 31, | Note | 2019 | 2018 |
|---|-------|-----------------|----------|
| Revenue from real estate properties | 12 | \$70,454 | \$69,245 |
| Property operating costs | | | |
| Property operating expenses | 13(a) | (17,363) | (16,017) |
| Property taxes | | (12,975) | (13,288) |
| Property management fees | | (2,256) | (2,294) |
| | | 37,860 | 37,646 |
| Interest expense | 14 | (14,408) | (13,713) |
| General and administrative | 13(b) | (1,177) | (1,231) |
| Amortization expense | | (21) | — |
| Other income | | 41 | 59 |
| Fair value losses on real estate properties | 4 | (5,680) | (5,995) |
| Net income from equity-accounted investment | 6 | 300 | 845 |
| Net income and comprehensive income | | \$16,915 | \$17,611 |
| NET INCOME PER UNIT | 16(d) | | |
| Basic | | \$0.28 | \$0.29 |
| Diluted | | \$0.25 | \$0.27 |

See accompanying notes to the condensed consolidated financial statements.

STATEMENTS OF UNITHOLDERS' EQUITY

In thousands of Canadian dollars, except number of units

| | Number of Units | Issue of Units | Retained Earnings | Equity Component of Convertible Debentures | Contributed Surplus | Total Unitholders' Equity |
|---|--------------------|-------------------|----------------------|--|------------------------|---------------------------------|
| Unitholders' equity, January 1, 2018 | 60,691,729 | \$612,063 | \$947,070 | \$4,594 | \$1,864 | \$1,565,591 |
| CHANGES DURING THE PERIOD: | | | | | | |
| Net income | — | — | 17,611 | — | — | 17,611 |
| Distributions to unitholders | — | — | (14,479) | — | — | (14,479) |
| Issue of units – DRIP ¹ | 6,473 | 88 | (88) | — | — | — |
| Unitholders' equity, March 31, 2018 | 60,698,202 | 612,151 | 950,114 | 4,594 | 1,864 | 1,568,723 |
| CHANGES DURING THE PERIOD: | | | | | | |
| Repurchase of units | (37,100) | (375) | (36) | — | — | (411) |
| Net income | — | — | 55,404 | — | — | 55,404 |
| Distributions to unitholders | — | — | (43,302) | — | — | (43,302) |
| Issue of units – DRIP ¹ | 32,951 | 407 | (407) | — | — | — |
| Unitholders' equity, December 31, 2018 | 60,694,053 | 612,183 | 961,773 | 4,594 | 1,864 | 1,580,414 |
| CHANGES DURING THE PERIOD: | | | | | | |
| Net income | — | — | 16,915 | — | — | 16,915 |
| Distributions to unitholders | — | — | (14,503) | — | — | (14,503) |
| Issue of units – DRIP ¹ | 5,238 | 64 | (64) | — | — | — |
| Unitholders' equity, March 31, 2019 | 60,699,291 | \$612,247 | \$964,121 | \$4,594 | \$1,864 | \$1,582,826 |

1. Distribution Reinvestment Plan ("DRIP").

STATEMENTS OF CASH FLOWS

In thousands of Canadian dollars

| For the three months ended March 31, | Note | 2019 | 2018 |
|---|-------|-----------------|----------|
| OPERATING ACTIVITIES | | | |
| Net income | | \$16,915 | \$17,611 |
| Add items not affecting cash | 17(a) | 6,058 | 5,621 |
| Distributions from equity-accounted investment | 6 | 632 | 498 |
| Additions to tenant incentives and leasing commissions | | (696) | (366) |
| Net change in non-cash operating assets and liabilities | 17(b) | (9,545) | 1,932 |
| Cash provided by operating activities | | 13,364 | 25,296 |
| FINANCING ACTIVITIES | | | |
| Proceeds from new mortgages | | 11,253 | — |
| Financing costs on new mortgages | | (81) | — |
| Repayment of mortgages | | | |
| Repayments on maturity | | (16,253) | — |
| Principal instalment repayments | | (8,454) | (9,039) |
| Payment of lease liabilities | | (28) | — |
| Repayment of/(proceeds from) bank indebtedness | 11 | (35,467) | 36,969 |
| Decrease in Morguard loan receivable | 15(b) | 10,000 | — |
| Proceeds from Morguard loan payable | 15(b) | 43,500 | — |
| Repayment of Morguard loan payable | 15(b) | — | (30,000) |
| Distributions to unitholders | | (9,647) | (9,624) |
| Cash used in financing activities | | (5,177) | (11,694) |
| INVESTING ACTIVITIES | | | |
| Capital expenditures on real estate properties | | (2,230) | (2,727) |
| Expenditures on properties under development | | (5,841) | (7,652) |
| Cash used in investing activities | | (8,071) | (10,379) |
| Net change in cash | | 116 | 3,223 |
| Cash, beginning of period | | 10,652 | 14,752 |
| Cash, end of period | | \$10,768 | \$17,975 |

See accompanying notes to the condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2019 and 2018

In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

NOTE 1

NATURE AND FORMATION OF THE TRUST

The Trust is a "closed-end" real estate investment trust governed pursuant to an amended and restated declaration of trust dated May 5, 2015 ("the Declaration of Trust"), under, and governed by, the laws of the Province of Ontario. The Trust commenced active operations on October 14, 1997. The Trust units trade on the Toronto Stock Exchange ("TSX") under the symbol "MRT.UN". The Trust owns a diverse portfolio of retail, office and industrial properties located in six Canadian provinces. The Trust's head office is located at 55 City Centre Drive, Suite 1000, Mississauga, Ontario, L5B 1M3.

The Trust has a property management agreement with Morguard Investments Limited ("MIL"), a subsidiary of Morguard Corporation ("Morguard"). Morguard is the parent company of the Trust, owning 57.59% of the outstanding units as at March 31, 2019. Morguard is a real estate company that owns a diversified portfolio of multi-suite residential, retail, hotel, office and industrial properties. Morguard also provides advisory and management services to institutional and other investors.

NOTE 2

STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"), and thus do not contain all of the disclosures applicable to the annual audited consolidated financial statements.

These condensed consolidated financial statements use the same accounting policies and methods of their application as the most recent annual consolidated financial statements and should be read in conjunction with the most recent annual audited consolidated financial statements.

The condensed consolidated financial statements were approved and authorized for issue by the Trustees on May 1, 2019.

NOTE 3

ADOPTION OF ACCOUNTING STANDARDS

Current Accounting Policy Changes

IFRS 16, "Leases" ("IFRS 16")

In January 2016, the IASB issued IFRS 16. The new standard requires that for most leases, lessees must initially recognize a lease liability for the obligation to make lease payments and a corresponding right-of-use asset for the right to use the underlying asset for the lease term. Lessor accounting under IFRS 16 is substantially unchanged; lessors will continue to classify all leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Trust is the lessor.

The Trust adopted the standard on January 1, 2019 using a modified retrospective approach. The Trust elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 at the date of initial application. The Trust also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases"), and lease contracts for which the underlying asset is of low value ("low-value assets").

The Trust reviewed all lease contracts in which it is a lessee, and has noted that there was a material impact in relation to land leases and office leases and, as such, the impact is noted below; the remainder of leases are considered immaterial.

Leases previously accounted for as operating leases

The Trust recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Trust also applied the available practical expedients wherein it:

- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The adoption of IFRS 16 on January 1, 2019 resulted in the initial recognition of land and office right-of-use assets included in real estate properties \$10,825, and other assets \$407, respectively, and their corresponding lease liabilities of \$11,232 having a weighted average borrowing rate of 6.3%.

Summary of new accounting policies which have been applied from the date of initial application

At the commencement date of a lease, the Trust will recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Certain right-of-use assets related to land leases meet the definition of investment property under IAS 40; therefore, the fair value model is applied to those assets. Interest expense on the lease liability and the depreciation expense or fair value gain (loss) on the right-of-use asset, depending on the balance sheet classification of the asset, is recognized separately.

Right-of-use assets, not meeting the definition of investment property, are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Trust is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The Trust measures lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Trust and payments of penalties for terminating a lease, if the lease term reflects the Trust exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Trust uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Trust applies the recognition exemptions for leases of low-value assets and short-term leases.

NOTE 4 REAL ESTATE PROPERTIES

Real estate properties consist of the following:

| As at | March 31, 2019 | December 31, 2018 |
|------------------------------|--------------------|----------------------|
| Income producing properties | \$2,882,529 | \$2,858,255 |
| Properties under development | 12,214 | 22,887 |
| Held for development | 34,750 | 34,450 |
| | \$2,929,493 | \$2,915,592 |

Reconciliations of the carrying amounts for real estate properties at the beginning and end of the current financial period are set out below:

| | Income Producing Properties | Properties Under Development | Held for Development | Total Real Estate Properties |
|--|-----------------------------------|------------------------------------|-------------------------|------------------------------------|
| Balance as at December 31, 2017 | \$2,817,236 | \$13,630 | \$30,950 | \$2,861,816 |
| Additions: | | | | |
| Capital expenditures/capitalized costs | 13,990 | 49,888 | — | 63,878 |
| Tenant improvements, tenant incentives and commissions | 9,394 | — | — | 9,394 |
| Transfers | 40,631 | (40,631) | — | — |
| Disposition | (1,252) | — | — | (1,252) |
| Fair value (losses)/gains | (22,102) | — | 3,500 | (18,602) |
| Other changes | 358 | — | — | 358 |
| Balance as at December 31, 2018 | 2,858,255 | 22,887 | 34,450 | 2,915,592 |
| Adoption of IFRS 16 (Note 3) | 10,825 | — | — | 10,825 |
| Additions: | | | | |
| Capital expenditures/capitalized costs | 652 | 5,841 | — | 6,493 |
| Tenant improvements, tenant incentives and commissions | 2,274 | — | — | 2,274 |
| Transfers | 16,514 | (16,514) | — | — |
| Fair value (losses)/gains | (5,980) | — | 300 | (5,680) |
| Other changes | (11) | — | — | (11) |
| Balance as at March 31, 2019 | \$2,882,529 | \$12,214 | \$34,750 | \$2,929,493 |

APPRAISAL CAPITALIZATION AND DISCOUNT RATES

Morguard's subsidiary has a valuation team which consists of Appraisal Institute of Canada ("AIC") designated Accredited Appraiser Canadian Institute ("AACI") members who are qualified to offer valuation and consulting services and expertise for all types of real property, all of whom are knowledgeable and have recent experience in the fair value techniques for investment properties. AACI designated members must adhere to AIC's Canadian Uniform Standards of Professional Appraisal Practice and undertake ongoing professional development. Morguard's appraisal division is responsible for determining the fair value of investment properties every quarter. The team reports to a senior executive, and the internal valuation team's valuation processes and results are reviewed by senior management at least once every quarter, in line with the Trust's quarterly reporting dates.

Generally, the Trust's real estate properties are appraised using a number of approaches that typically include a discounted cash flow analysis, a direct capitalization approach and a direct comparison approach. The primary method of valuation used by the Trust is discounted cash flow analysis. This approach involves determining the fair value of each income producing property based on, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the applicable balance sheet dates, less future cash outflows pertaining to the respective leases. Fair values are primarily determined by discounting the expected future cash flows, generally over a

term of 10 years and including a terminal value based on the application of a capitalization rate to estimated year 11 net operating income.

Using the direct capitalization income approach to corroborate the discounted cash flow method, the properties were valued using capitalization rates in the range of 4.3% to 7.8% applied to a stabilized net operating income (December 31, 2018 – 4.3% to 7.5%), resulting in an overall weighted average capitalization rate of 6.1% (December 31, 2018 – 6.1%). The total stabilized annual net operating income as at March 31, 2019, was \$167,155 (December 31, 2018 – \$167,197).

The stabilized capitalization rates by business segments are set out in the following table:

| | March 31, 2019 | | | | | December 31, 2018 | | | | |
|------------|----------------------|-------|----------------------|------|------------------|----------------------|-------|----------------------|------|------------------|
| | Stabilized Occupancy | | Capitalization Rates | | | Stabilized Occupancy | | Capitalization Rates | | |
| | Max. | Min. | Max. | Min. | Weighted Average | Max. | Min. | Max. | Min. | Weighted Average |
| Retail | 100.0% | 90.0% | 7.3% | 5.3% | 6.2% | 100.0% | 90.0% | 7.3% | 5.3% | 6.2% |
| Office | 100.0% | 90.0% | 7.8% | 4.3% | 6.1% | 100.0% | 90.0% | 7.5% | 4.3% | 6.0% |
| Industrial | 100.0% | 95.0% | 6.8% | 5.5% | 6.0% | 100.0% | 95.0% | 7.5% | 5.5% | 6.5% |

The table below provides further details of the discount rates and terminal cap rates used in the discounted cash flow method by business segments:

| | March 31, 2019 | | | December 31, 2018 | | |
|-------------------|----------------|---------|------------------|-------------------|---------|------------------|
| | Maximum | Minimum | Weighted Average | Maximum | Minimum | Weighted Average |
| RETAIL | | | | | | |
| Discount rate | 7.8% | 6.0% | 6.8% | 7.8% | 6.0% | 6.8% |
| Terminal cap rate | 7.0% | 5.3% | 6.0% | 7.0% | 5.3% | 6.0% |
| OFFICE | | | | | | |
| Discount rate | 7.8% | 5.3% | 6.4% | 7.8% | 5.3% | 6.4% |
| Terminal cap rate | 7.3% | 4.3% | 5.6% | 7.3% | 4.3% | 5.5% |
| INDUSTRIAL | | | | | | |
| Discount rate | 7.5% | 6.3% | 6.8% | 7.3% | 6.3% | 6.8% |
| Terminal cap rate | 7.0% | 5.8% | 6.2% | 6.8% | 5.8% | 6.2% |

Excluded from the above analysis is a retail property located in British Columbia where the highest and best use is a redevelopment to mixed residential and commercial use. As at March 31, 2019, the value of the property is in the underlying land value with minimal holding income, and it has been valued using recent comparable land sales.

Fair values are most sensitive to changes in discount rates, capitalization rates and stabilized or forecast net operating income. Generally, an increase in net operating income will result in an increase in the fair value of the income producing properties, and an increase in capitalization rates will result in a decrease in the fair value of the properties. The capitalization rate magnifies the effect of a change in net operating income, with a lower capitalization rate resulting in a greater impact to the fair value of the property than a higher capitalization rate. If the weighted average stabilized capitalization rate were to increase or decrease by 25 basis points, the value of the income producing properties as at March 31, 2019, would decrease by \$107,291 or increase by \$116,435, respectively.

The sensitivity of the fair values of the Trust's income producing properties is set out in the table below:

| As at | March 31, 2019 | | December 31, 2018 | |
|-------------------------------|----------------|-----------|-------------------|-----------|
| Change in capitalization rate | 0.25% | (0.25%) | 0.25% | (0.25%) |
| Retail | (\$59,168) | \$64,174 | (\$59,193) | \$64,201 |
| Office | (46,015) | 49,970 | (46,491) | 50,516 |
| Industrial | (2,108) | 2,291 | (1,955) | 2,112 |
| | (\$107,291) | \$116,435 | (\$107,639) | \$116,829 |

NOTE 5 RIGHT-OF-USE ASSET

The following table presents the change in the balance of the Trust's right-of-use (head office lease) asset:

| As at | March 31, 2019 | December 31, 2018 |
|-------------------------------------|-------------------|----------------------|
| Balance as at December 31, 2018 | \$— | \$— |
| Adoption of IFRS 16 (Note 3) | 407 | — |
| Amortization expense | (21) | — |
| Balance as at March 31, 2019 | \$386 | \$— |

NOTE 6 EQUITY-ACCOUNTED INVESTMENT

On December 22, 2011, the Trust and a major Canadian pension fund each acquired a 50% interest in a limited partnership that owns and operates a 304,000 square foot Class A office complex located in downtown Edmonton, Alberta, in which the Trust has a total original net investment of \$28,008. The Trust has joint control over the limited partnership and accounts for its investment using the equity method.

| As at | March 31, 2019 | December 31, 2018 |
|-------------------------------|-------------------|----------------------|
| Balance, beginning of period | \$24,746 | \$27,080 |
| Equity income/(loss) | 300 | (138) |
| Distributions to partners | (632) | (2,196) |
| Balance, end of period | \$24,414 | \$24,746 |

The following details the Trust's share of the limited partnership's aggregated assets, liabilities and results of operations accounted for under the equity method:

| As at | March 31, 2019 | December 31, 2018 |
|-------------------------|-------------------|----------------------|
| Real estate property | \$51,000 | \$51,550 |
| Current assets | 711 | 930 |
| Total assets | 51,711 | 52,480 |
| Non-current liabilities | (25,068) | (25,331) |
| Current liabilities | (2,229) | (2,403) |
| Net equity | \$24,414 | \$24,746 |

| For the three months ended March 31, | 2019 | 2018 |
|---|--------------|--------------|
| Revenue from real estate property | \$1,541 | \$1,616 |
| Property operating expenses | 492 | 567 |
| Net operating income | 1,049 | 1,049 |
| Interest and other | (251) | (260) |
| Fair value (losses)/gains on real estate property | (498) | 56 |
| Net income | \$300 | \$845 |

The real estate property included above in the Trust's equity-accounted investment are appraised using a number of approaches that typically include a discounted cash flow analysis, a direct capitalization approach and a direct comparison approach. As at March 31, 2019, the property was valued using a discount rate of 7.3% (December 31, 2018 – 7.3%), a terminal cap rate of 6.3% (December 31, 2018 – 6.3%) and a stabilized cap rate of 6.0% (December 31, 2018 – 6.0%). The stabilized annual net operating income as at March 31, 2019, was \$3,189 (December 31, 2018 – \$2,964).

NOTE 7 CO-OWNERSHIP INTERESTS

The Trust is a co-owner in several properties, listed below, that are subject to joint control based on the Trust's decision-making authority with regard to the relevant activities of the properties. These co-ownerships have been classified as joint operations and, accordingly, the Trust recognizes its rights to and obligations for the assets, liabilities, revenue and expenses of these co-ownerships in the respective lines in the condensed consolidated financial statements.

| Jointly Controlled Operations | Location | Property Type | Trust's Ownership Share | |
|-------------------------------|------------------------------|---------------|-------------------------|------|
| | | | 2019 | 2018 |
| 505 Third Street | Calgary, AB | Office | 50% | 50% |
| Scotia Place | Edmonton, AB | Office | 20% | 20% |
| Prairie Mall | Grande Prairie, AB | Retail | 50% | 50% |
| Heritage Place | Ottawa, ON | Office | 50% | 50% |
| Standard Life Centre | Ottawa, ON | Office | 50% | 50% |
| 77 Bloor | Toronto, ON | Office | 50% | 50% |
| Woodbridge Square | Woodbridge, ON | Retail | 50% | 50% |
| 825 Des Érables | Salaberry-de-Valleyfield, QC | Industrial | 50% | 50% |
| Place Innovation | Saint-Laurent, QC | Office | 50% | 50% |

The following amounts, included in these condensed consolidated financial statements, represent the Trust's proportionate share of the assets and liabilities of the nine co-ownerships as at March 31, 2019 and December 31, 2018, and the results of operations for the three months ended March 31, 2019 and 2018:

| As at | March 31, 2019 | December 31, 2018 |
|-------------|-------------------|----------------------|
| Assets | \$534,851 | \$535,568 |
| Liabilities | \$169,591 | \$176,442 |

| For the three months ended March 31, | 2019 | 2018 |
|---|----------------|------------------|
| Revenue | \$13,697 | \$12,965 |
| Expenses | 8,216 | 8,054 |
| Income before fair value adjustments | 5,481 | 4,911 |
| Fair value losses on real estate properties | (2,970) | (6,646) |
| Net income/(loss) | \$2,511 | (\$1,735) |

NOTE 8
MORTGAGES PAYABLE

Mortgages payable consist of the following:

| As at | March 31, 2019 | December 31, 2018 |
|---|--------------------|----------------------|
| Mortgages payable before deferred financing costs | \$1,096,621 | \$1,110,075 |
| Deferred financing costs | (2,407) | (2,481) |
| Mortgages payable | \$1,094,214 | \$1,107,594 |
| Mortgages payable – non-current | \$916,076 | \$913,490 |
| Mortgages payable – current | 178,138 | 194,104 |
| Mortgages payable | \$1,094,214 | \$1,107,594 |
| Range of interest rates | 2.7% to 5.5% | 2.7% to 5.5% |
| Weighted average term to maturity (years) | 4.0 | 4.1 |

The aggregate principal repayments and balances maturing on the mortgages payable as at March 31, 2019, together with the weighted average contractual rate on debt maturing in the year indicated, are as follows:

| | Principal Instalment Repayments | Balances Maturing | Total | Weighted Average Contractual Rate on Balance Maturing |
|--------------------------|---------------------------------------|----------------------|--------------------|---|
| 2019 (remainder of year) | \$24,627 | \$145,870 | \$170,497 | 3.6% |
| 2020 | 32,284 | 114,493 | 146,777 | 4.6% |
| 2021 | 26,912 | 153,525 | 180,437 | 4.2% |
| 2022 | 23,365 | 171,560 | 194,925 | 3.8% |
| 2023 | 14,335 | 92,656 | 106,991 | 4.1% |
| Thereafter | 44,350 | 252,644 | 296,994 | 4.2% |
| | \$165,873 | \$930,748 | \$1,096,621 | 4.1% |

Substantially all of the Trust's rental properties and related rental revenue have been pledged as collateral for the mortgages payable.

NOTE 9
CONVERTIBLE DEBENTURES
Debentures

On December 30, 2016, the Trust issued a \$175,000 principal amount of 4.50% convertible unsecured subordinated debentures ("Convertible Debentures") maturing on December 31, 2021 (the "Maturity Date"), of which a \$50,000 principal amount was purchased by Morguard at the offering price. As at March 31, 2019, Morguard held a total of \$60,000 principal amount of the Convertible Debentures (2018 – \$60,000).

Interest is payable semi-annually, not in advance, on June 30 and December 31 of each year.

The Convertible Debentures, with the exception of the value assigned to the holders' conversion option, have been recorded as debt on the balance sheets. The following table summarizes the allocation of the principal amount and related issue costs of the Convertible Debentures at the date of original issue. The portion of issue costs attributable to the liability of \$4,991 was capitalized and will be amortized over the term to maturity, while the remaining amount of \$139 was charged to equity.

| | Liability | Equity | Principal Amount Issued |
|--------------------------------------|------------------|----------------|-------------------------|
| Transaction date – December 30, 2016 | \$170,267 | \$4,733 | \$175,000 |
| Issue costs | (4,991) | (139) | (5,130) |
| | \$165,276 | \$4,594 | \$169,870 |

Each Convertible Debenture is convertible into freely tradable units of the Trust at the option of the holder, exercisable at any time prior to the close of business on the last business day preceding the Maturity Date at a conversion price of \$20.40 per unit, being a rate of approximately 49.0196 units per thousand principal amount of Convertible Debentures, subject to adjustment.

The Convertible Debentures payable consist of the following:

| As at | March 31, 2019 | December 31, 2018 |
|---|-------------------|----------------------|
| Convertible debentures – liability | \$170,267 | \$170,267 |
| Convertible debentures – accretion | 1,961 | 1,722 |
| Convertible debentures before issue costs | 172,228 | 171,989 |
| Issue costs | (2,923) | (3,175) |
| Convertible debentures | \$169,305 | \$168,814 |

Interest and principal payments on the Convertible Debentures are as follows:

| | Interest | Principal | Total |
|------|-----------------|------------------|------------------|
| 2017 | \$7,875 | \$— | \$7,875 |
| 2018 | 7,875 | — | 7,875 |
| 2019 | 7,875 | — | 7,875 |
| 2020 | 7,875 | — | 7,875 |
| 2021 | 7,875 | 175,000 | 182,875 |
| | \$39,375 | \$175,000 | \$214,375 |

Redemption Rights

Each Convertible Debenture is redeemable any time from January 1, 2020, to the close of business on December 31, 2020, in whole or in part, on at least 30 days' prior notice at a redemption price equal to par plus accrued and unpaid interest at the Trust's sole option provided that the weighted average trading price of the units on the TSX for the 20 consecutive trading days ending five trading days prior to the date on which the notice of redemption is given is not less than 125% of the Conversion Price.

From January 1, 2021, to the close of business on December 31, 2021, the Convertible Debentures are redeemable, in whole or in part, at par plus accrued and unpaid interest at the Trust's sole option.

Repayment Options

Payment Upon Redemption or Maturity

The Trust may satisfy its obligation to repay the principal amounts of the Convertible Debentures, in whole or in part, by delivering units of the Trust. In the event that the Trust elects to satisfy its obligation to repay principal with units of the Trust, the number of units issued is obtained by dividing the principal amount of the Convertible Debentures by 95% of the weighted average trading price of the units on the TSX for the 20 consecutive trading days ending five trading days prior to the date fixed for redemption or the Maturity Date, as applicable.

Interest Payment Election

The Trust may elect, subject to applicable regulatory approval, to issue and deliver units of the Trust to the Debenture Trustee in order to raise funds to pay interest on the Convertible Debentures, in which event the holders of the Convertible Debentures will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such units.

NOTE 10 LEASE LIABILITIES

The following table presents the change in the balance of the Trust's lease liabilities:

| As at | March 31, 2019 | December 31, 2018 |
|--|-------------------|----------------------|
| Balance as at December 31, 2018 | \$— | \$— |
| Adoption of IFRS 16 (Note 3) | 11,232 | — |
| Principal payments | (28) | — |
| Balance as at March 31, 2019 | \$11,204 | \$— |
| Current | \$117 | \$— |
| Non-current | 11,087 | — |
| | \$11,204 | \$— |
| Weighted average borrowing rate | 6.3% | —% |

NOTE 11 BANK INDEBTEDNESS

The Trust has operating lines of credit totalling \$85,000 (December 31, 2018 – \$85,000), which renew annually and are secured by fixed charges on specific properties owned by the Trust.

As at March 31, 2019, the Trust had borrowed \$32,193 (December 31, 2018 – \$67,660) on its credit facilities and issued letters of credit in the amount of \$1,245 (December 31, 2018 – \$1,309) related to these facilities.

The bank credit agreements include certain restrictive covenants and undertakings by the Trust. As at March 31, 2019 and December 31, 2018, the Trust was in compliance with all covenants and undertakings. As the bank indebtedness is current and at prevailing market rates, the carrying value of the debt as at March 31, 2019, approximates fair value.

NOTE 12**REVENUE FROM REAL ESTATE PROPERTIES**

Revenue from real estate properties consists of the following:

| For the three months ended March 31, 2019 | Retail | Office | Industrial | Total |
|---|-----------------|-----------------|----------------|-----------------|
| Rental revenue | \$22,881 | \$18,069 | \$803 | \$41,753 |
| CAM recoveries | 7,331 | 8,029 | 207 | 15,567 |
| Property tax and insurance recoveries | 6,369 | 4,954 | 167 | 11,490 |
| Other ancillary revenue | 1,320 | 269 | 66 | 1,655 |
| Amortized rents | 25 | 11 | (47) | (11) |
| | \$37,926 | \$31,332 | \$1,196 | \$70,454 |

| For the three months ended March 31, 2018 | Retail | Office | Industrial | Total |
|---|-----------------|-----------------|----------------|-----------------|
| Rental revenue | \$22,748 | \$18,013 | \$818 | \$41,579 |
| CAM recoveries | 6,526 | 7,631 | 235 | 14,392 |
| Property tax and insurance recoveries | 6,461 | 5,127 | 275 | 11,863 |
| Other ancillary revenue | 1,156 | 60 | 29 | 1,245 |
| Amortized rents | 50 | 128 | (12) | 166 |
| | \$36,941 | \$30,959 | \$1,345 | \$69,245 |

CAM recoveries and other ancillary revenue noted in the above table are considered to be a component of revenue from contracts with customers.

NOTE 13**EXPENSES****(a) Property Operating Expenses**

Property operating expenses consist of the following:

| For the three months ended March 31, | 2019 | 2018 |
|--------------------------------------|-----------------|-----------------|
| Repairs and maintenance | \$8,229 | \$7,325 |
| Utilities | 4,254 | 4,136 |
| Other operating expenses | 4,880 | 4,556 |
| | \$17,363 | \$16,017 |

(b) General and Administrative

General and administrative expenses consist of the following:

| For the three months ended March 31, | 2019 | 2018 |
|--------------------------------------|----------------|----------------|
| Trustees' fees and expenses | \$70 | \$76 |
| Professional and compliance fees | 419 | 390 |
| Other administrative expenses | 688 | 765 |
| | \$1,177 | \$1,231 |

NOTE 14
INTEREST EXPENSE

The components of interest expense are as follows:

| For the three months ended March 31, | Three months ended | |
|---|--------------------|-------------------|
| | March 31, 2019 | March 31, 2018 |
| Mortgages payable | \$11,127 | \$10,833 |
| Amortization of deferred financing costs – mortgages | 155 | 172 |
| Convertible debentures | 1,942 | 1,942 |
| Accretion on convertible debentures, net | 239 | 226 |
| Amortization of deferred financing costs – convertible debentures | 252 | 239 |
| Lease liabilities | 175 | — |
| Bank indebtedness | 353 | 269 |
| Morguard loan payable and other | 364 | 194 |
| Capitalized interest | (199) | (162) |
| | \$14,408 | \$13,713 |

NOTE 15
RELATED PARTY TRANSACTIONS

Related party transactions are summarized as follows:

(a) Agreement with Morguard Investments Limited

Under the property management agreement, the Trust pays MIL fees for property management services, capital expenditure administration, information system support activities and risk management administration. Property management fees average approximately 3.3% of gross revenue from the income producing properties owned by the Trust. The management agreement is renewed annually to ensure fees paid reflect fair value for the services provided. Under the leasing services arrangement, the Trust may, at its option, use MIL for leasing services. Leasing fees range from 2% to 6% of the total minimum rent of new leases. Fees for the renewal of a lease are half of the fees for a new lease. Leasing services include lease documentation.

The Trust has employed the services of MIL for both the acquisition and disposition of properties on a case-by-case basis. Fees are generally based on the sale price of the properties and are capitalized in the case of an asset acquisition. MIL is a tenant at three of the Trust's properties. The Trust has employed the services of MIL for the appraisal of its real estate properties as required for IFRS reporting purposes. Fees are generally based on the size and complexity of each property and are expensed as part of the Trust's professional and compliance fees.

During the year, the Trust incurred/(earned) the following:

| For the three months ended March 31, | 2019 | 2018 |
|---------------------------------------|----------------|---------|
| Property management fees ¹ | \$2,287 | \$2,320 |
| Appraisal/valuation fees | 90 | 90 |
| Information services | 55 | 55 |
| Leasing fees | 416 | 383 |
| Project administration fees | 75 | 119 |
| Project management fees | 92 | 152 |
| Risk management fees | 86 | 74 |
| Internal audit fees | 34 | 36 |
| Off-site administrative charges | 452 | 459 |
| Rental revenue | (51) | (57) |
| | \$3,536 | \$3,631 |

1. Includes property management fees on equity-accounted investment.

The following amounts relating to MIL are included in the balance sheets:

| As at | March 31, 2019 | December 31, 2018 |
|---|-------------------|----------------------|
| Accounts payable and accrued liabilities, net | \$934 | \$1,227 |

(b) Revolving Loan with Morguard

The Trust has a revolving loan agreement with Morguard that provides for borrowings or advances of up to \$50,000, which is interest bearing at the lender's borrowing rate and due on demand subject to available funds.

Morguard Loan Payable

During the three months ended March 31, 2019, a gross amount of \$43,500 was advanced from Morguard and remains payable to Morguard as at March 31, 2019 (December 31, 2018 – \$nil). For the three months ended March 31, 2019, the Trust incurred interest expense in the amount of \$364 (2018 – \$194) at an average interest rate of 4.12% (2018 – 3.35%).

Morguard Loan Receivable

During the three months ended March 31, 2019, a gross amount of \$10,000 was repaid from Morguard. As at March 31, 2019 there is no loan receivable from Morguard (2018 – \$10,000). For the three months ended March 31, 2019, the Trust earned interest income on loans receivable from Morguard in the amount of \$33 (2018 – \$nil), at an average interest rate of 5.05% (2018 – n/a). The interest income earned from Morguard is included with other income on the statements of income and comprehensive income.

(c) Sublease with Morguard (Excluding MIL)

The Trust subleases office space from Morguard. For the three months ended March 31, 2019, the Trust incurred rent expense in the amount of \$55 (2018 – \$51).

(d) Amounts Receivable from and Accounts Payable to Morguard (Excluding MIL)

Other than the revolving loan, the following additional amounts relating to Morguard are included in the balance sheets:

| As at | March 31, 2019 | December 31, 2018 |
|--|-------------------|----------------------|
| Amounts receivable | \$63 | \$65 |
| Accounts payable and accrued liabilities | \$169 | \$7 |

(e) Rental Revenue from Morguard (Excluding MIL)

Morguard is a tenant in one of the Trust's properties. For the three months ended March 31, 2019, the Trust earned rental revenue in the amount of \$27 (2018 – \$26).

NOTE 16**UNITHOLDERS' EQUITY****(a) Units Outstanding**

The Trust is authorized to issue an unlimited number of units. The following table summarizes the changes in units from January 1, 2018 to March 31, 2019:

| As at | March 31, 2019 | December 31, 2018 |
|--------------------------------|---------------------------|------------------------------|
| Balance, beginning of period | 60,694,053 | 60,691,729 |
| Distribution Reinvestment Plan | 5,238 | 39,424 |
| Repurchase of units | — | (37,100) |
| Balance, end of period | 60,699,291 | 60,694,053 |

Total distributions recorded during the three months ended March 31, 2019, amounted to \$14,567 or \$0.24 per unit (2018 – \$14,567 or \$0.24 per unit). Included in this amount is a distribution declared on March 15, 2019, in the amount of \$0.08 per unit for the month of March 2019, paid to unitholders on April 15, 2019. On April 15, 2019, the Trust declared a distribution of \$0.08 per unit payable on May 15, 2019.

(b) Normal Course Issuer Bid

On February 5, 2019, the Trust announced that the TSX had accepted notice filed by the Trust of its intention to make a normal course issuer bid. The notice provided that during the 12-month period commencing February 7, 2019, and ending February 6, 2020, the Trust may purchase for cancellation on the TSX up to 3,034,702 units in total, being approximately 5% of the outstanding units. Additionally, the Trust may purchase for cancellation up to \$11,500 principal amount of the Convertible Debentures due on the Maturity Date, 10% of the public float of outstanding Convertible Debentures. The price that the Trust would pay for any such units or debentures would be the market price at the time of acquisition.

During the three months ended March 31, 2019, and 2018 the Trust did not purchase any units for cancellation.

(c) Distribution Reinvestment Plan

Under the Trust's Distribution Reinvestment Plan, unitholders can elect to reinvest cash distributions into additional units at a weighted average trading price of the units on the TSX for the 20 trading days immediately preceding the applicable date of distribution. During the three months ended March 31, 2019, the Trust issued 5,238 units under the DRIP (2018 – 6,473 units).

(d) Net Income Per Unit

The following table sets forth the computation of basic and diluted net income per unit:

| For the three months ended March 31, | 2019 | 2018 |
|--|-----------------|----------|
| Net income – basic | \$16,915 | \$17,611 |
| Net income – diluted | \$19,348 | \$20,018 |
| Weighted average number of units outstanding – basic | 60,696 | 60,694 |
| Weighted average number of units outstanding – diluted | 77,321 | 74,075 |
| Net income per unit – basic | \$0.28 | \$0.29 |
| Net income per unit – diluted | \$0.25 | \$0.27 |

To calculate net income – diluted, interest, accretion and the amortization of financing costs on convertible debentures outstanding that were expensed during the year are added back to net income – basic. The weighted average number of units outstanding – diluted is calculated as if all convertible debentures outstanding as at March 31, 2019, and 2018, had been converted into units of the Trust at the beginning of the year.

NOTE 17**STATEMENTS OF CASH FLOWS****(a) Items Not Affecting Cash**

| For the three months ended March 31, | 2019 | 2018 |
|---|----------------|---------|
| Fair value losses on real estate properties | \$5,680 | \$5,995 |
| Net income from equity-accounted investment | (300) | (845) |
| Amortized stepped rent | 5 | (296) |
| Amortized free rent | (75) | 53 |
| Amortization of deferred financing costs – mortgages | 155 | 172 |
| Amortization of tenant incentives | 81 | 77 |
| Amortization of right-of-use asset | 21 | — |
| Amortization of deferred financing costs – convertible debentures | 252 | 239 |
| Accretion of convertible debentures | 239 | 226 |
| | \$6,058 | \$5,621 |

(b) Net Change in Non-Cash Operating Assets and Liabilities

| For the three months ended March 31, | 2019 | 2018 |
|--|------------------|---------|
| Amounts receivable | (\$823) | \$3,121 |
| Prepaid expenses and other | (8,342) | (6,278) |
| Accounts payable and accrued liabilities | (380) | 5,089 |
| | (\$9,545) | \$1,932 |

Other supplemental cash flow information consists of the following:

| | | |
|-----------------------|-----------------|----------|
| Interest paid | \$12,097 | \$11,150 |
| Issue of units – DRIP | \$64 | \$88 |

NOTE 18**COMMITMENTS AND CONTINGENCIES****(a) Commitments**

The Trust has entered into various agreements relating to capital expenditures for its properties. These expenditures include development of new space, redevelopment or retrofit of existing space, and other capital expenditures. Should all conditions be met, as at March 31, 2019, committed capital expenditures in the next 12 months are estimated at \$38,750.

The Trust has various other contractual obligations in the normal course of operations. These contracts can generally be cancelled with 30 days' notice.

(b) Contingencies

The Trust is liable contingently with respect to litigation, claims and environmental matters that arise from time to time, including those that could result in mandatory damages or other relief, which could result in significant expenditures. While the outcome of these matters cannot be predicted with certainty, in the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the financial position or results of operations of the Trust. Any expected settlement of claims in excess of amounts recorded will be charged to operations as and when such determination is made.

NOTE 19**MANAGEMENT OF CAPITAL**

The Trust defines capital that it manages as the aggregate of its unitholders' equity and interest-bearing debt less cash and interest-bearing receivables. The Trust's objective when managing capital is to ensure that the Trust will continue as a going concern so that it can sustain daily operations and provide adequate returns to its unitholders.

The Trust is subject to risks associated with debt financing, including the possibility that existing mortgages may not be refinanced or may not be refinanced on as favourable terms or with interest rates as favourable as those of the existing debt. The Trust mitigates these risks by its continued efforts to stagger the maturity profile of its long-term debt, to enhance the value of its real estate properties and to maintain high occupancy levels. The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The total managed capital for the Trust is summarized below:

| As at | Note | March 31, 2019 | December 31, 2018 |
|--------------------------|-------|--------------------|----------------------|
| Mortgages payable | 8 | \$1,094,214 | \$1,107,594 |
| Convertible debentures | 9 | 169,305 | 168,814 |
| Bank indebtedness | 11 | 32,193 | 67,660 |
| Morguard loan payable | 15(b) | 43,500 | — |
| Cash | | (10,768) | (10,652) |
| Morguard loan receivable | 15(b) | — | (10,000) |
| Unitholders' equity | | 1,582,826 | 1,580,414 |
| | | \$2,911,270 | \$2,903,830 |

The Declaration of Trust permits the Trust to incur indebtedness, provided that after giving effect to incurring or assuming any indebtedness (as defined in the Declaration of Trust), the amount of all indebtedness of the Trust is not more than 60% of the gross book value of the Trust's total assets as defined in the Declaration of Trust. The Declaration of Trust also permits the Trust to incur floating-rate debt, provided that the total amount of all floating-rate debt of the Trust is not more than 15% of the gross book value of the Trust's total assets.

The Trust's debt ratios compared to its borrowing limits established in the Declaration of Trust are outlined in the table below:

| As at | Borrowing Limits | March 31, 2019 | December 31, 2018 |
|--|------------------|-------------------|----------------------|
| Fixed-rate debt to gross book value of total assets | N/A | 37.9% | 42.8% |
| Floating-rate debt to gross book value of total assets | 15% | 6.9% | 2.3% |
| | 60% | 44.8% | 45.1% |

As at March 31, 2019, the Trust met all externally imposed ratios and minimum equity requirements.

Mortgages Payable

All mortgages payable in place for the Trust are secured against the real property assets and, as a result, have been relieved from having restrictive financial covenant requirements.

Convertible Debentures

The Trust's unsecured subordinated convertible debentures have no restrictive covenants.

Bank Indebtedness

The Trust's loan agreements permit the Trust to incur indebtedness. The loan agreements are fixed amounts that renew annually and are secured by fixed charges on specific properties owned by the Trust.

NOTE 20

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Trust's financial assets and liabilities comprise cash, amounts receivable, accounts payable and accrued liabilities, bank indebtedness, mortgages payable and convertible debentures. Fair values of financial assets and liabilities and discussion of risks associated with financial assets and liabilities are presented as follows.

Fair Value of Financial Assets and Liabilities

The fair values of cash, amounts receivable, accounts payable and accrued liabilities, bank indebtedness and loan payable approximate their carrying values due to the short-term maturities of these instruments.

(a) Mortgages Payable

Mortgages payable are carried at amortized cost using the effective interest rate method of amortization. The estimated fair values of long-term borrowings are based on market information, where available, or by discounting future payments of interest and principal at estimated interest rates expected to be available to the Trust as at March 31, 2019.

The fair value of the mortgages payable has been determined by discounting the cash flows of these financial obligations using March 31, 2019, market rates for debts of similar terms (Level 2). Based on these assumptions, the fair value as at March 31, 2019, of the mortgages payable has been estimated at \$1,123,241 (December 31, 2018 – \$1,126,796) compared with the carrying value before deferred financing costs of \$1,096,621 (December 31, 2018 – \$1,110,075). The fair value of the mortgages payable varies from the carrying value due to fluctuations in interest rates since their issue.

(b) Convertible Debentures

The fair value of the Convertible Debentures is based on their market trading price (TSX: MRT.DB) (Level 1). The fair value as at March 31, 2019, of the Convertible Debentures has been estimated at \$175,000 (December 31, 2018 – \$168,000) compared with the carrying value before deferred financing costs of \$172,228 (December 31, 2018 – \$171,989).

Risks Associated with Financial Assets and Liabilities

The Trust is exposed to financial risks arising from its financial assets and liabilities. The financial risks include interest rate risk, credit risk and liquidity risk. The Trust's overall risk management program focuses on establishing policies to identify and analyze the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. The Trust aims to develop a disciplined control environment in which all employees understand their roles and obligations.

NOTE 21

SEGMENTED INFORMATION

IFRS 8, "Operating Segments", requires operating segments to be determined based on internal reports that are regularly reviewed by the chief operating decision-makers for the purpose of allocating resources to the segment and assessing its performance. The Trust has applied judgment by aggregating its operating segments according to the nature of the property operations. Such judgment considers the nature of operations, types of customers and an expectation that operating segments within a reportable segment have similar long-term economic characteristics. As at March 31, 2019, the Trust has the following three reportable segments: retail, office and industrial.

Business Segments

| For the three months ended March 31, 2019 | Retail | Office | Industrial | Total |
|---|----------|----------|------------|----------|
| Revenue from real estate properties | \$37,926 | \$31,332 | \$1,196 | \$70,454 |
| Property operating expenses | 9,240 | 7,835 | 288 | 17,363 |
| Property taxes | 7,615 | 5,210 | 150 | 12,975 |
| Property management fees | 1,319 | 898 | 39 | 2,256 |
| | \$19,752 | \$17,389 | \$719 | \$37,860 |

| For the three months ended March 31, 2018 | Retail | Office | Industrial | Total |
|---|----------|----------|------------|----------|
| Revenue from real estate properties | \$36,941 | \$30,959 | \$1,345 | \$69,245 |
| Property operating expenses | 8,560 | 7,228 | 229 | 16,017 |
| Property taxes | 7,482 | 5,531 | 275 | 13,288 |
| Property management fees | 1,266 | 993 | 35 | 2,294 |
| | \$19,633 | \$17,207 | \$806 | \$37,646 |

| | Retail | Office | Industrial | Total |
|---|-------------|-------------|------------|-------------|
| As at March 31, 2019 | | | | |
| Real estate properties | \$1,693,318 | \$1,179,475 | \$56,700 | \$2,929,493 |
| Mortgages payable (based on collateral) | \$625,663 | \$468,551 | \$— | \$1,094,214 |
| For the three months ended March 31, 2019 | | | | |
| Additions to real estate properties | \$5,470 | \$3,263 | \$34 | \$8,767 |
| Fair value gains/(losses) on real estate properties | \$1,767 | (\$7,760) | \$313 | (\$5,680) |

| | Retail | Office | Industrial | Total |
|---|-------------|-------------|------------|-------------|
| As at December 31, 2018 | | | | |
| Real estate properties | \$1,675,231 | \$1,183,961 | \$56,400 | \$2,915,592 |
| Mortgages payable (based on collateral) | \$629,923 | \$477,671 | \$— | \$1,107,594 |
| For the three months ended March 31, 2018 | | | | |
| Additions to real estate properties | \$8,723 | \$1,872 | \$150 | \$10,745 |
| Fair value gains/(losses) on real estate properties | \$922 | (\$6,779) | (\$138) | (\$5,995) |