



**PIER 4**

Real Estate Investment Trust

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# INVESTOR PRESENTATION

**MAY 2024**



**PIER 4**

Real Estate Investment Trust

## DISCLAIMER

This is not a formal offering document. Prospective purchasers of this investment opportunity will be provided with a formal Offering Memorandum and will need to be qualified for investment prior to making any investment. No person has been authorised to give any information or to make any representation not contained in the formal Offering Memorandum. No securities regulatory authority or regulator has assessed the merits of the proposed offering or reviewed the formal Offering Memorandum. This investment opportunity is speculative and involves a high degree of risk. There is a risk that any investment made will be lost entirely or in part. Only prospective investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider this investment. Please refer to the below and the Offering Memorandum for our advisory on forward-looking statements.

Certain statements contained herein as they relate to Pier 4 Real Estate Investment Trust ("Pier 4", "Pier 4 REIT" or "the REIT") and related parties and their respective views or predictions about the possible future events or conditions and their business operations and strategy, are "forward-looking statements" within the meaning of that phrase under applicable Canadian securities law. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "target", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

The forward-looking statements contained in this document are expressly qualified by this cautionary statement and given as of the date hereof. Except as otherwise required by law, Pier 4 does not intend to and assumes no obligation to update or revise these or other forward-looking statements it may provide, whether as a result of new information, plans or events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements as there can be no assurance that the condition, events, plans and assumptions on which they were based will occur. ALL REFERENCE SHOULD BE MADE TO THE OFFERING MEMORANDUM DATED MAY 3, 2024.

## PURCHASER RIGHTS

Securities legislation in certain provinces of Canada provides purchasers with rights of rescission or damages, or both, where an offering memorandum or any amendment to it contains a misrepresentation. A "misrepresentation" is an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made. These remedies must be commenced by the purchaser within the time limits prescribed and are subject to the defences contained in the applicable securities legislation. Each purchaser should refer to the provisions of the applicable securities laws in their province or territory along with the regulations, rules and policy statements thereunder for the particulars of these rights or consult with a legal advisor. Such rights apply to a purchaser of securities of Pier 4 pursuant to applicable securities legislation in certain provinces of Canada and are in addition to and without derogation from any other right or remedy which purchasers may have at law and are subject to the defences contained therein. Please also refer to Item 11 – Purchaser's Rights of Action in the Offering Memorandum.

**1**  
**MARKET  
ENVIRONMENT**

**2**  
**THE FUND**

**3**  
**STRATEGY**

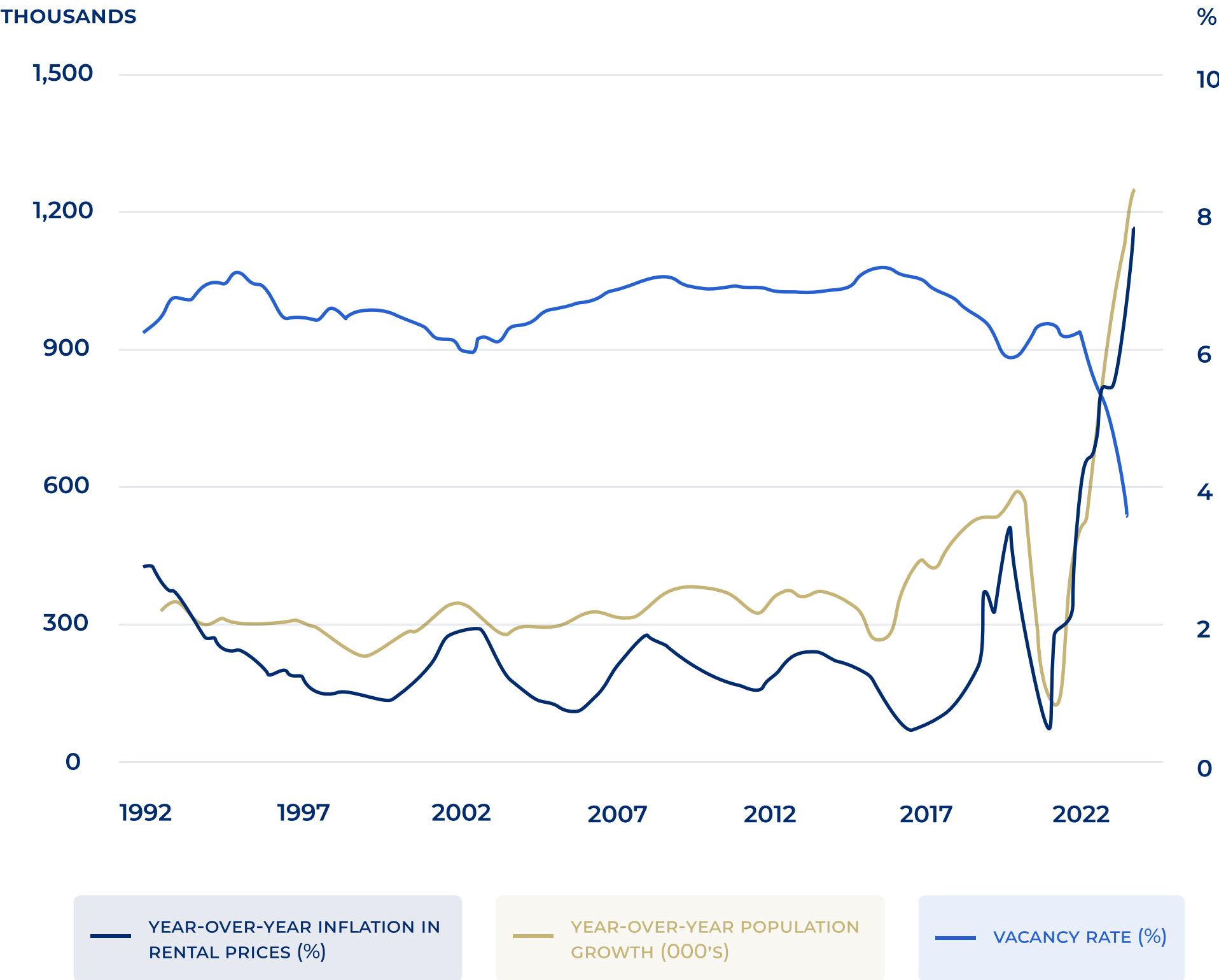
**4**  
**PORTFOLIO**

**5**  
**OFFERING  
DETAILS**

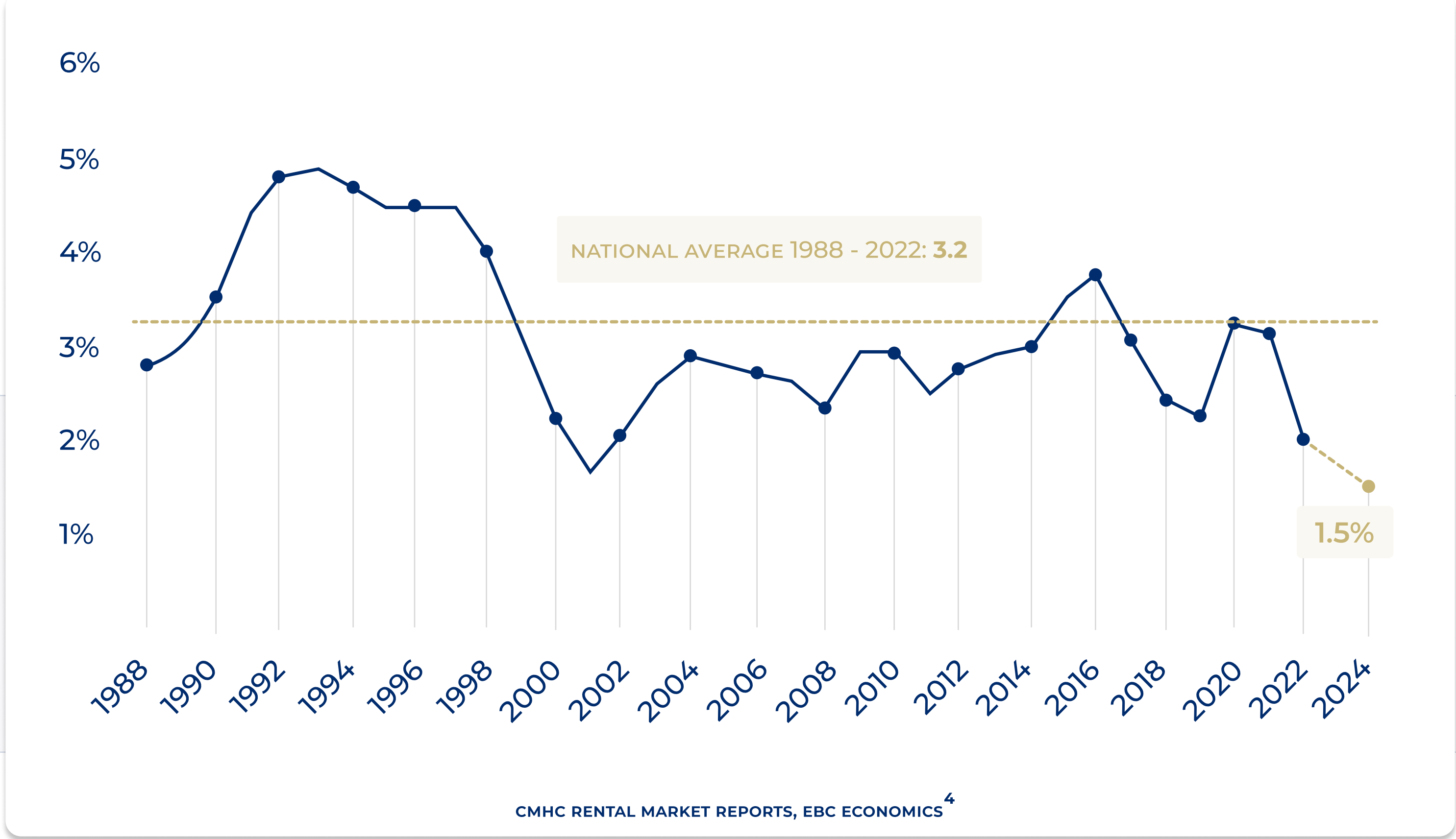
# POPULATION GROWTH IS CONTRIBUTING TO INFLATION IN RENTAL PRICES

“Between Jan. 1 2023 and Jan. 1 2024, Canada added 1,271,872 inhabitants, a 3.2% growth rate — the highest since 1957.”<sup>1</sup> The growing population will create a strong demand for quality rental housing.

...IT'S ESTIMATED 41 MILLION PEOPLE NOW CALL CANADA HOME <sup>1</sup>



MONETARY POLICY REPORT JANUARY 2024, BANK OF CANADA <sup>2</sup>



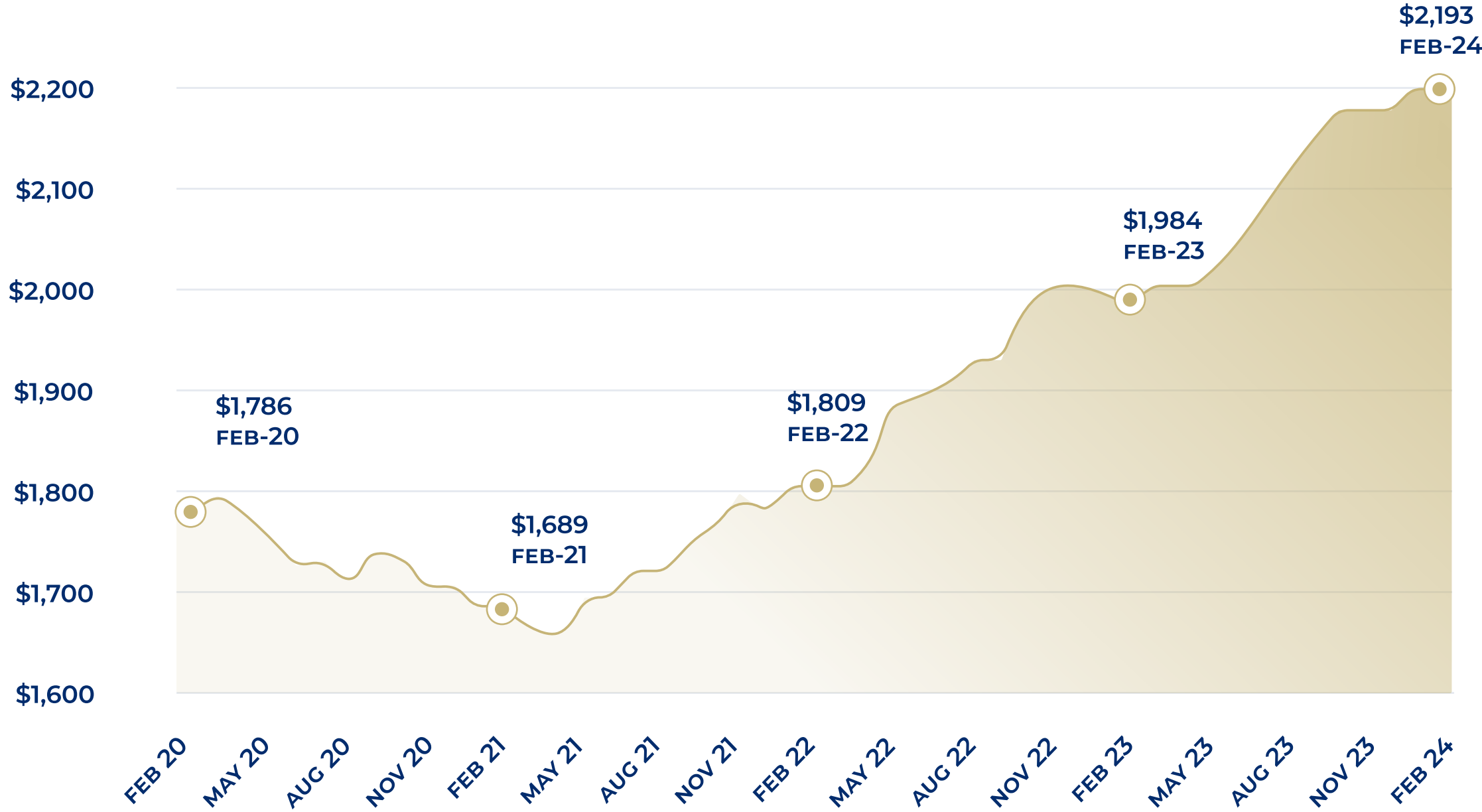
# LOW VACANCY RATES

A notable scarcity of rental properties, coupled with heightened demand, has pushed Canada's national vacancy rate to 1.5%, its lowest level in at least 35 years, as reported by the Canada Mortgage and Housing Corporation.<sup>3</sup>

# RENT RATES INCREASE

“Average multifamily rental rates in 2023 grew by 9.2%, greatly exceeding annual wage growth of 5.0%.”<sup>5</sup>

AVERAGE ASKING RENT  
ALL PROPERTY TYPES, CANADA



URBANATION INC. RENTALS.CA NETWORK <sup>6</sup>

AVERAGE ASKING RENT & ANNUAL CHANGE BY PROPERTY TYPE  
CANADA: FEB 2024



URBANATION INC. RENTALS.CA NETWORK <sup>6</sup>

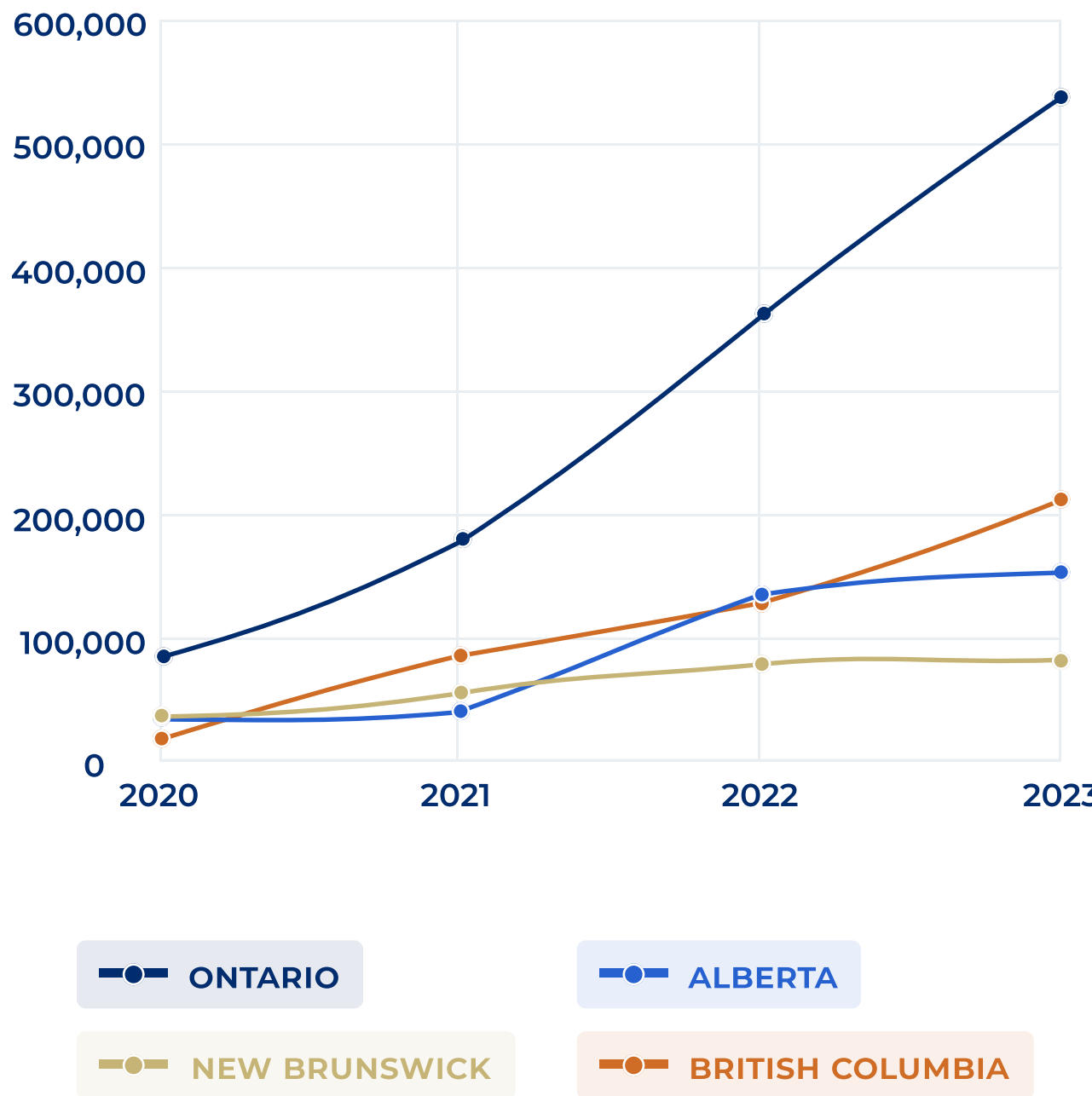
Rents for 1-bedroom apartments in Toronto and Vancouver are flatlining, with year-over-year dips. This could signal a renter exodus from big cities.<sup>7</sup>

# BOOMING DEMAND LIMITED SUPPLY

## The Prime Opportunity in Canadian Multifamily

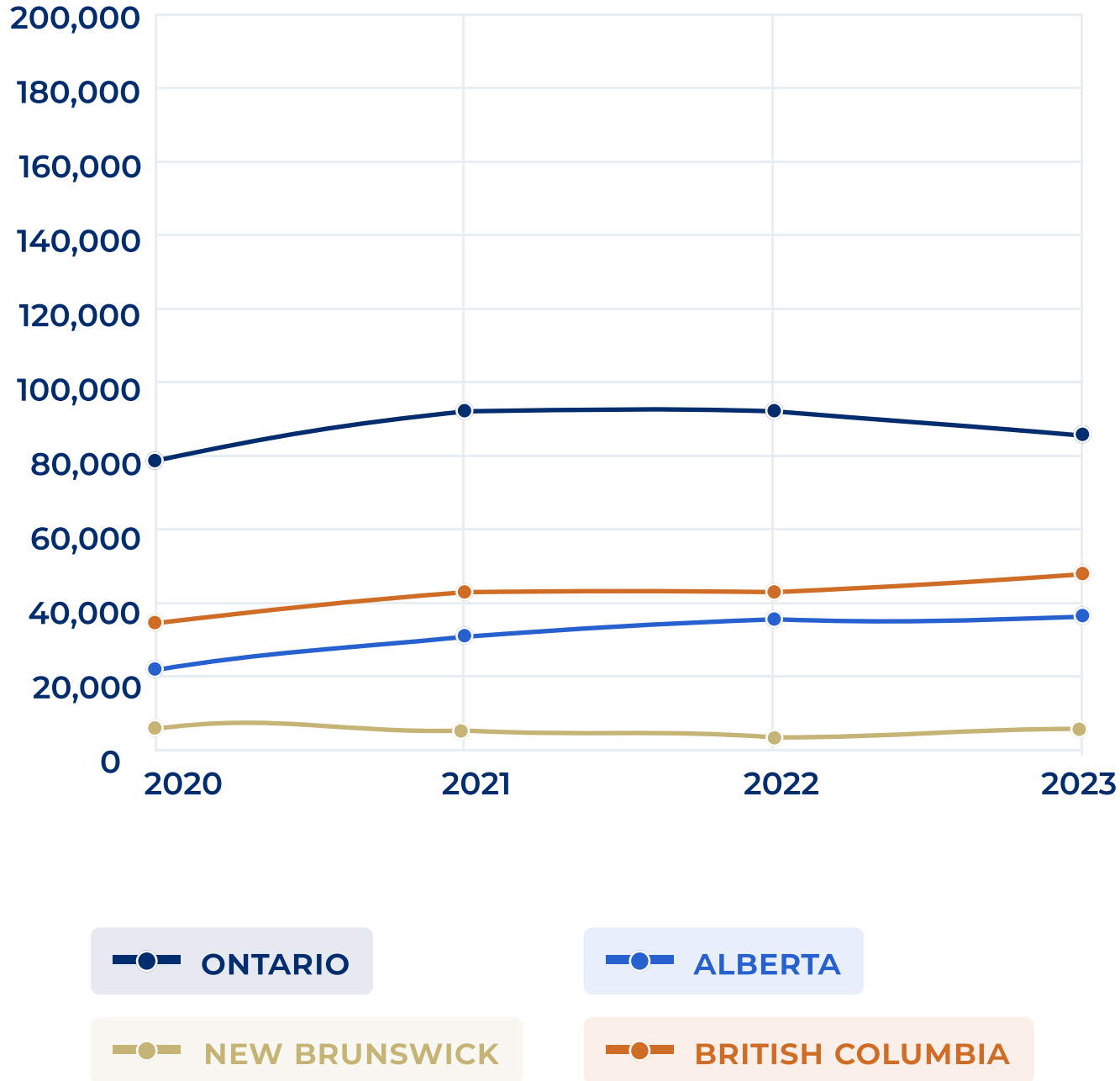
CMHC warns of a slowdown in new rental construction due to financing difficulties. Unlike condo developers with pre-sales, rental developers struggle to secure traditional loans, potentially limiting the availability of new rental units.<sup>5</sup>

### POPULATION GROWTH



CHMC & STATS CANADA<sup>8</sup>

### HOUSING STARTS



CHMC & STATS CANADA<sup>8</sup>

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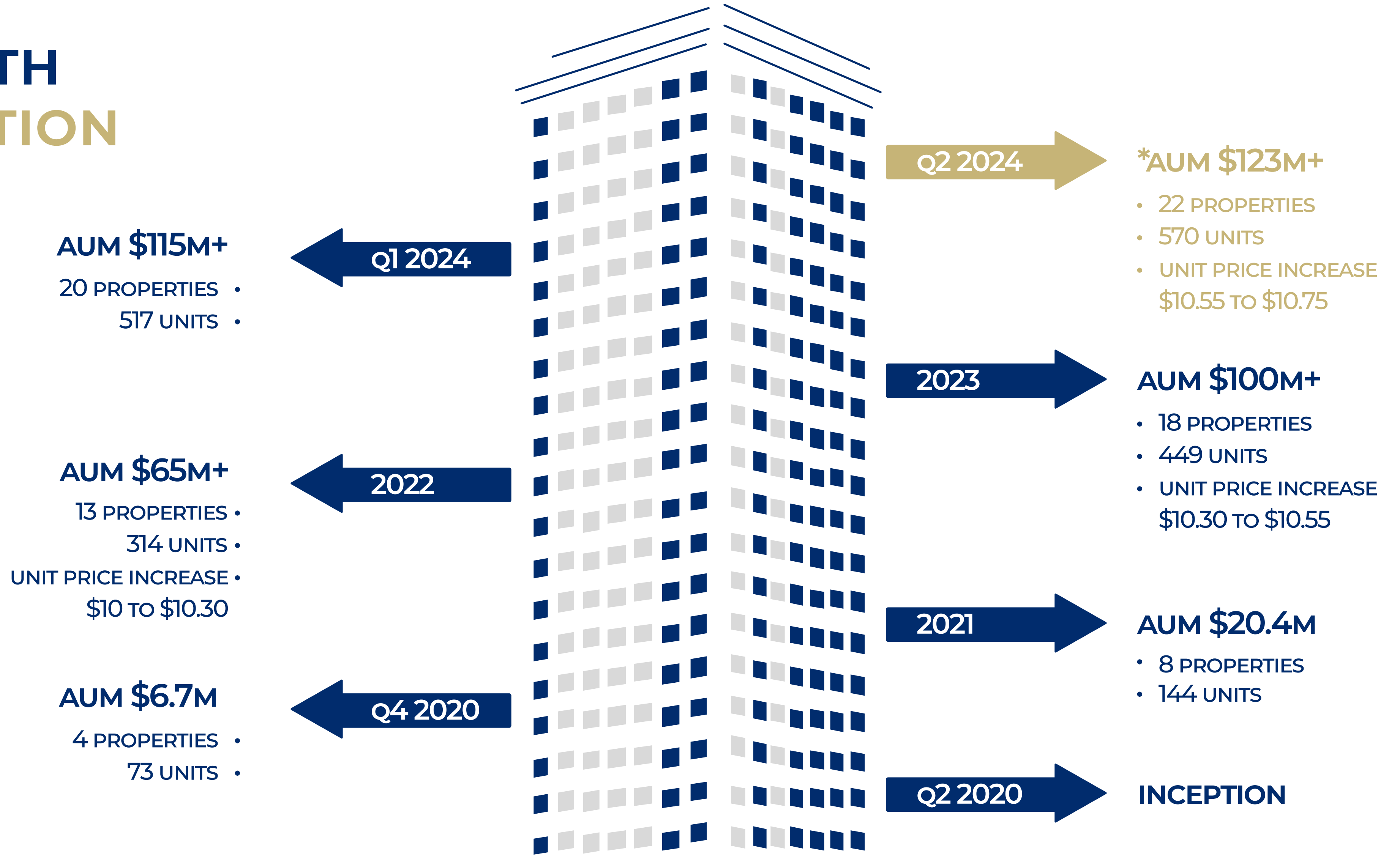


# FUND OVERVIEW

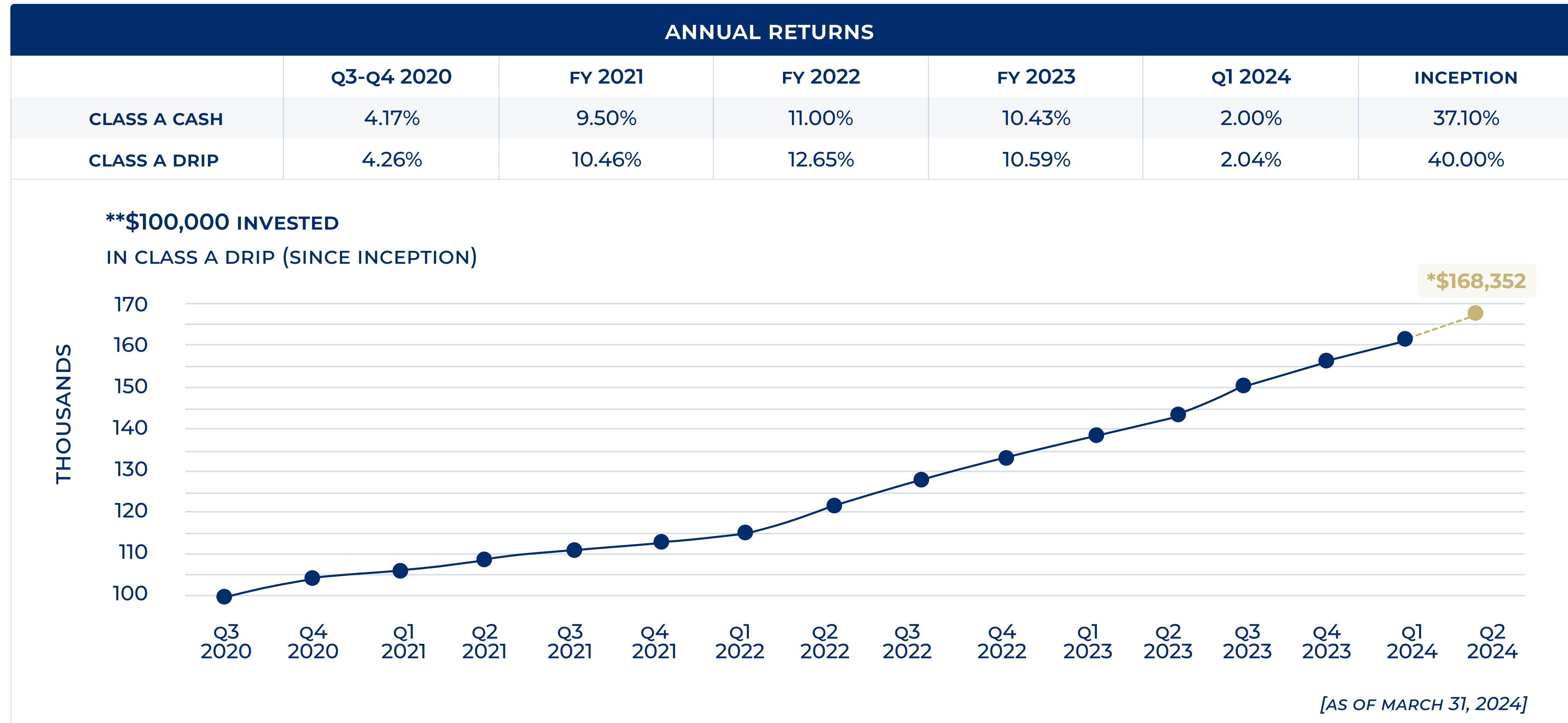
[AS OF MAY 2024]

<b>5.19%</b> IMPLIED CAP RATE	<b>*22</b> PROPERTIES	<b>*570</b> UNITS	<b>97.10%</b> OCCUPANCY RATE
<b>8%</b> YIELD	<b>\$10.75</b> NET ASSET VALUE	<b>12-15%</b> TARGETED ANNUAL RETURN	<b>INTERNAL</b> PROPERTY MANAGEMENT TEAM

# FUND GROWTH SINCE INCEPTION



# INVESTMENT GROWTH **SINCE INCEPTION**



\*Rate of return may be affected by fees, please refer to the Offering Memorandum. DRIP is elected by the unit holder (item 5.6 of the OM and the subscription agreement generally).

\*\*Pier 4 Real Estate Investment Trust internal data (unaudited); Returns are based on an initial \$10.00 NAV. Assuming Initial Investment is \$100,000.00.

‡ All information contained herein, while obtained from sources which are believed to be reliable, is not guaranteed as to its accuracy or completeness. It is important for an investor to consider the particular risk factors that may affect the industry in which it is investing and therefore the stability of the distributions that it receives. The risks involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the Offering Memorandum for a further discussion of the risks of investing in the Trust. Please note that the Inception date reflects from June 2020.

# POWERING PIER 4'S SUCCESS



**Darrell Ashby**  
Chairman & Co-founder



**Adam Ashby**  
CEO & Co-founder



**Michael Ashby**  
CFO & Co-founder



OFFICES IN  
**2**  
CITIES



TOTAL  
EMPLOYEES  
**30+**



FULL SERVICE  
**ASSET**  
MANAGEMENT  
**PROPERTY**  
MANAGEMENT



INDUSTRY  
PROFESSIONALS  
**100+ YEARS**  
EXPERIENCE

## INDEPENDENT TRUSTEES & DIRECTORS



### Paul Chisholm

Paul achieved significant recognition in the Canadian property management industry.

He currently holds a leadership position on the board of the Ontario rental housing association (FRPO) and holds a partnership at a major property management firm (Highmark Properties).

His career highlights include founding his own property management company (HiStar) and receiving a lifetime achievement award from the FRPO.



### Ian Stewart

Ian co-leads Wyse Meter Solutions, a fast-growing company (ranked 16th by Profit 500) that specialises in utility metering and expense management.

His expertise extends back to co-founding Stratacon Inc., a company focused on energy management for multi-unit residential buildings.

Ian's involvement in the Association of Condominium Management of Ontario further highlights his commitment to the industry.



### Dennis Kalish

A highly experienced property management consultant, with a career launched in South Africa in 1981 and spanning over 39 years, brings a global perspective to the table.

Dennis's skillset extends beyond property management, as his membership in the South African Institute of Certified Bookkeepers demonstrates.

Notably he managed a substantial portfolio of 4,800 suites at one of Toronto's largest owner-managed property companies.

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# OUR PHILOSOPHY

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Our mission has always been to deliver a consistent return for our investors, while providing our tenants with comfortable, secure, and affordable homes.

We strongly value our enduring relationships with each of our investors. We strive to revitalize buildings in a variety of provinces across Canada.

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# INVESTMENT STRATEGY

## 1 REALIZE

UNDervalUED PROPERTIES WITH STRONG RETURN POTENTIAL  
 ASSESS GROWTH POTENTIAL  
 AVOID MARKET COMPETITION WITH OFF MARKET ACQUISITIONS

## 2 REVITALIZE

INCREASE REVENUE STREAMS AND EXPENSE REDUCERS  
 COST CONSCIENTIOUS RENOVATIONS  
 REMOVE UTILITY COSTS

## 3 RETURN

SHORT TERM MONTHLY DISTRIBUTIONS  
 LONG TERM RETURNS THROUGH:

- NET ASSET VALUE GROWTH
- SPECIAL DISTRIBUTIONS

**\$10,505**

HISTORICAL AVERAGE RENOVATION COST

**\*\$17M+**

FAIR MARKET VALUE GAINED



**62.69%**

PORTFOLIO GAP TO MARKET  
AS OF MARCH 31, 2024



# VALUE ADD EXAMPLE 105-117 ONWARD AVENUE

PURCHASE DATE - MARCH 15, 2023

**MARKET** KITCHENER, ON

**UNITS TURNED OVER** 12

**PRE-CAPEX FMV** \$6,600,000

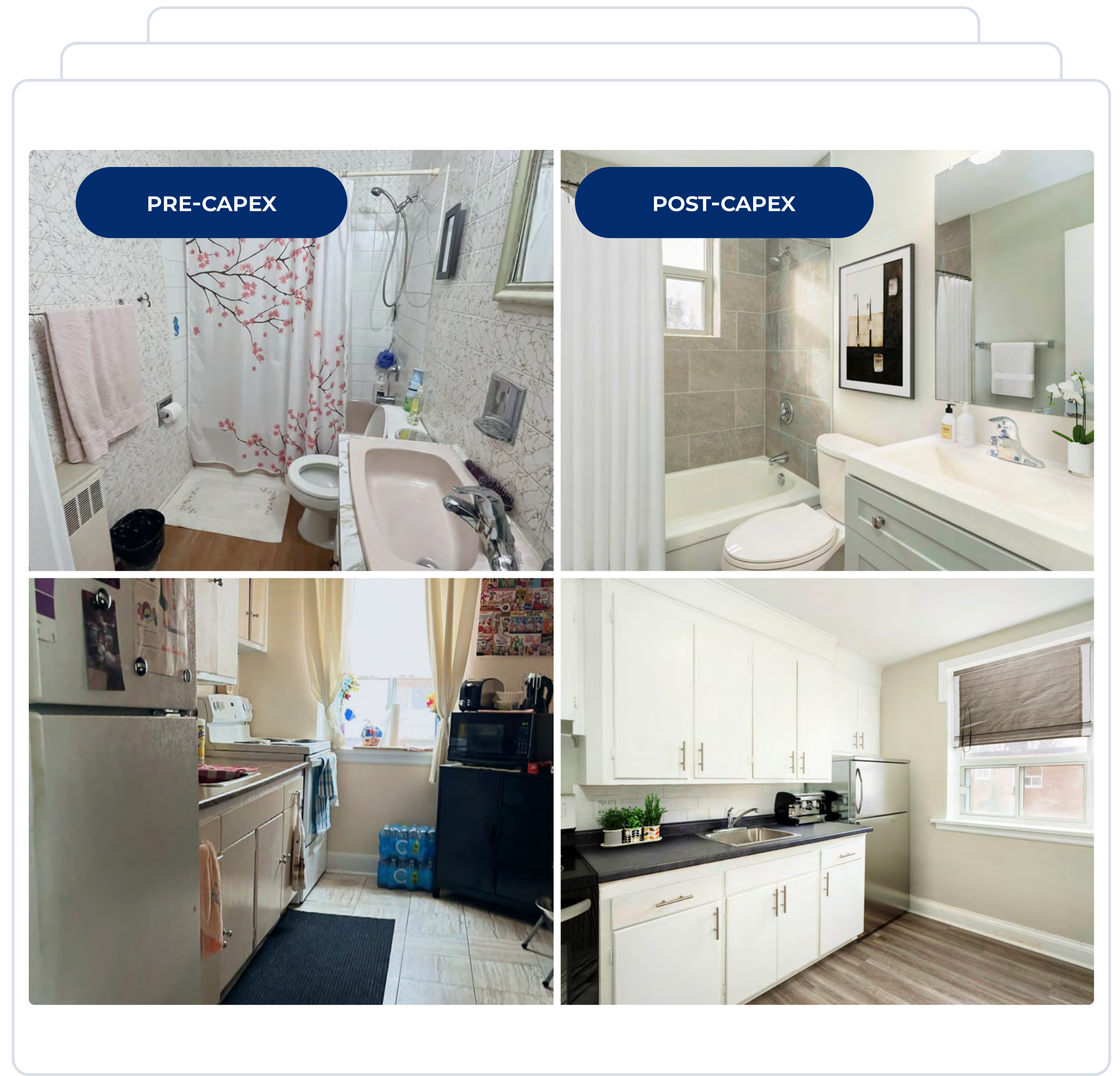
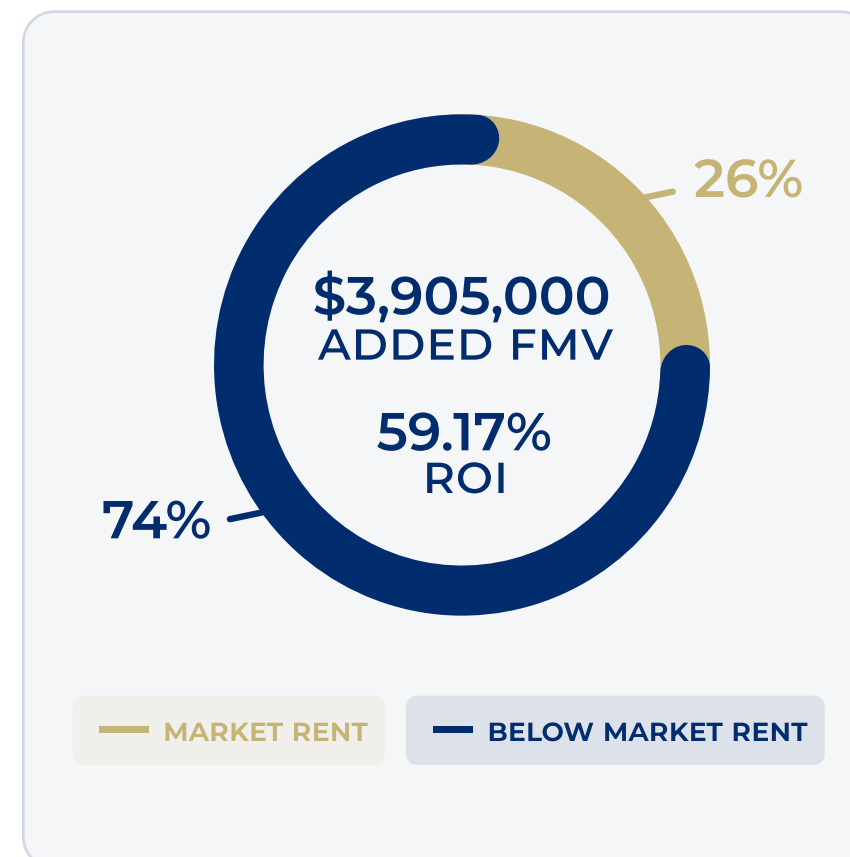
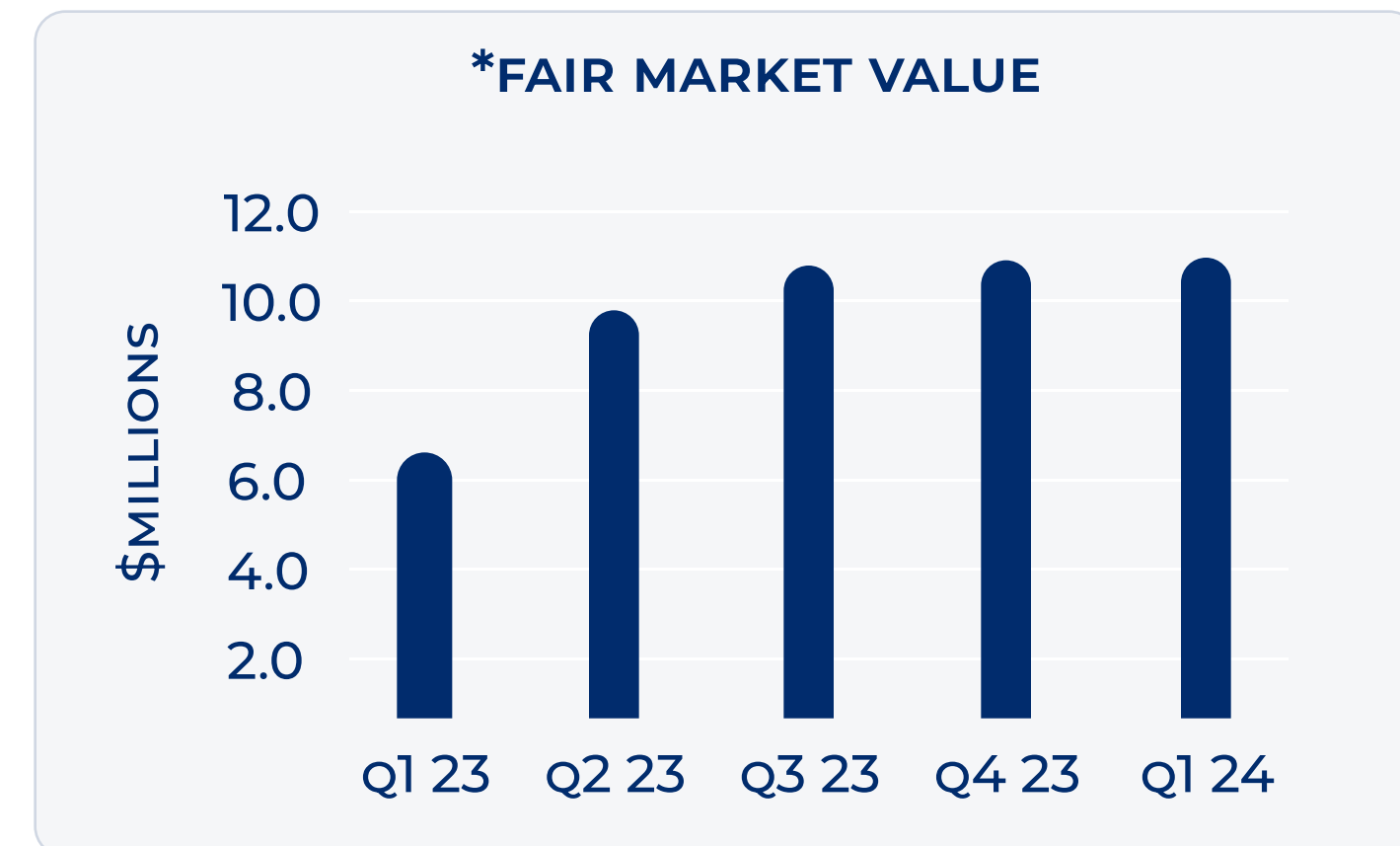
**PRE-AVERAGE RENT** \$920

**ROI (MONTH)** 2.84

**CAPEX SPENT (\$)** \$188,407

**\*POST-CAPEX FMV** \$10,505,000

**POST-AVERAGE RENT** \$1,131

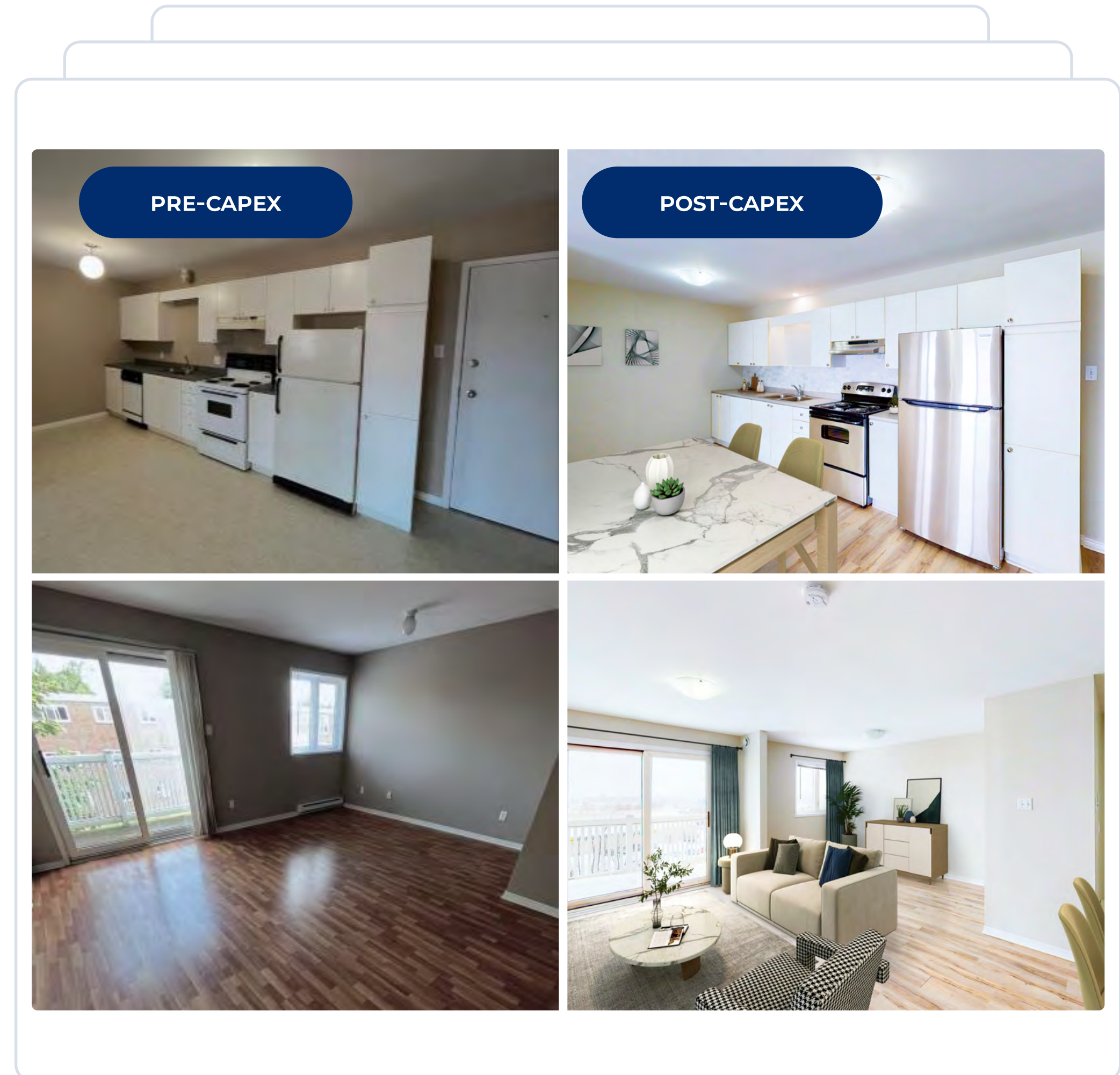
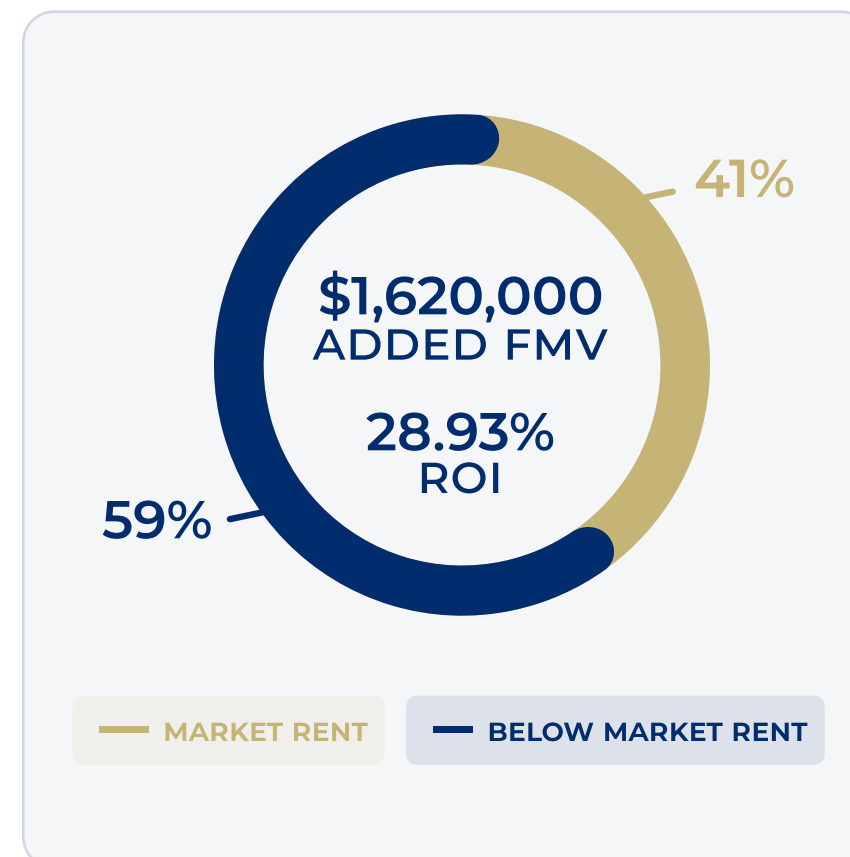
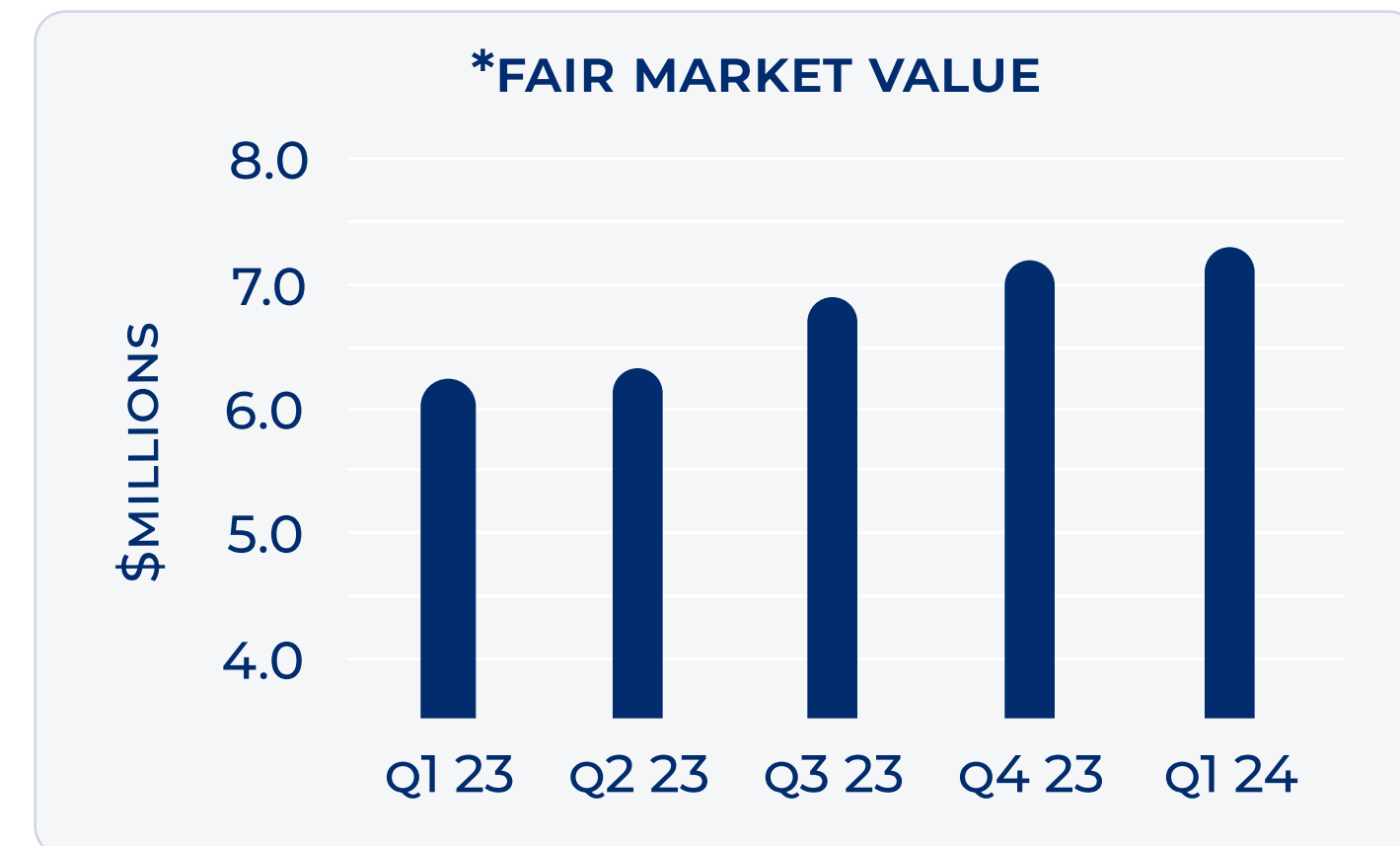


# VALUE ADD EXAMPLE 25 ELMWOOD DRIVE

PURCHASE DATE - AUGUST 15, 2022

MARKET	MONCTON, NB
UNITS TURNED OVER	17
PRE-CAPEX FMV	\$5,600,000
PRE-AVERAGE RENT	\$761

ROI (MONTH)	8.8
CAPEX SPENT (\$)	\$121,863
*POST-CAPEX FMV	\$7,220,000
POST-AVERAGE RENT	\$1,161



# PIER 4

## ESG

BY REDUCING COST WE ARE INCREASING THE POTENTIAL RETURNS TO OUR INVESTORS



### ENERGY STAR APPLIANCES

Use far less electricity than generic appliances



### LED LIGHTING

Consumes less electricity than standard incandescent bulbs



### HIGH EFFICIENCY BOILERS

The fuel consumption is 85% less than regular boilers, which generates savings of electricity



### WATERSENSE TOILETS

By replacing the toilets with the WaterSense labeled brands you can save up to 59,000L of water every year (-\$140)



### GEO THERMAL ENERGY

Reduction of heating, cooling and hydro costs up to 70%, which provides cleaner and healthier air

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# RECENT ACQUISITIONS



**Kitchener, Ontario**

<b>PURCHASE PRICE</b>	\$4,040,000
<b>AVG RENT</b>	\$1,064
<b>GAP TO MARKET</b>	98.3%
<b>CLOSING DATE</b>	June 2023
<b>STATUS</b>	Closed



**Kitchener, Ontario**

<b>PURCHASE PRICE</b>	\$4,646,000
<b>AVG RENT</b>	\$1,134
<b>GAP TO MARKET</b>	84.7%
<b>CLOSING DATE</b>	June 2023
<b>STATUS</b>	Closed



**London, Ontario**

<b>PURCHASE PRICE</b>	\$8,400,000
<b>AVG RENT</b>	\$960
<b>GAP TO MARKET</b>	95.9%
<b>CLOSING DATE</b>	January 2024
<b>STATUS</b>	Closed

# RECENT ACQUISITIONS



**Kitchener, Ontario**

<b>PURCHASE PRICE</b>	\$5,180,000
<b>AVG RENT</b>	\$1,323
<b>GAP TO MARKET</b>	60.0%
<b>CLOSING DATE</b>	April 2024
<b>STATUS</b>	Closed



**\*Halifax, Nova Scotia**

<b>PURCHASE PRICE</b>	\$4,559,000
<b>AVG RENT</b>	\$1,066
<b>GAP TO MARKET</b>	113%
<b>CLOSING DATE</b>	June 2024
<b>STATUS</b>	Under Contract



**\*Bedford, Nova Scotia**

<b>PURCHASE PRICE</b>	\$3,957,000
<b>AVG RENT</b>	\$1,132
<b>GAP TO MARKET</b>	107%
<b>CLOSING DATE</b>	June 2024
<b>STATUS</b>	Under Contract

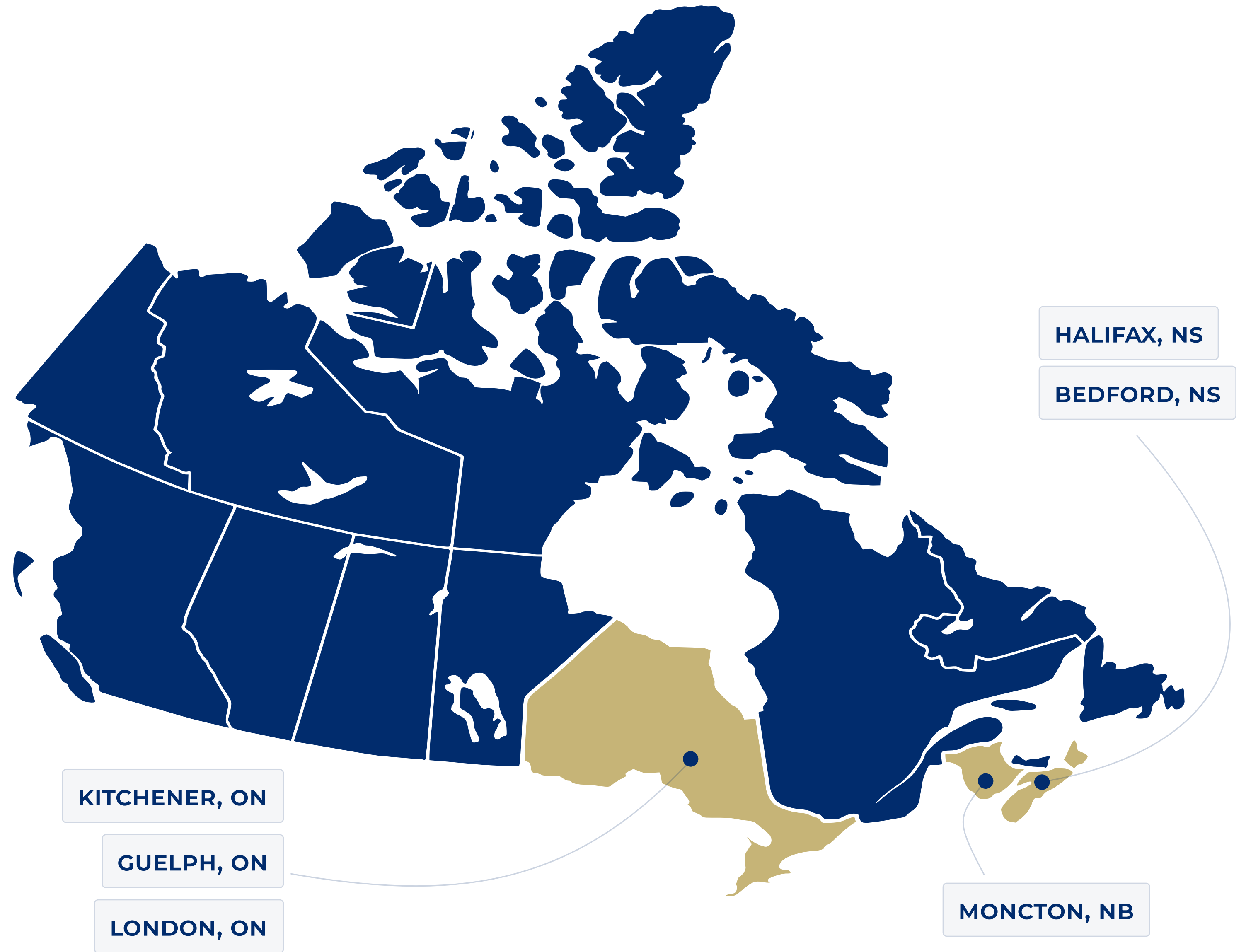
\*As of the date of this presentation, the figures on this slide include all properties that are under management as well as properties under contract. Management believes that the two properties under contract are expected to close in Q2 2024. Subject to unforeseen circumstances outside of Management's control, we cannot stipulate that the said properties will close, or close during that anticipated close date.

# PORTFOLIO SUMMARY

**\*22** PROPERTIES

**6** COMMUNITIES

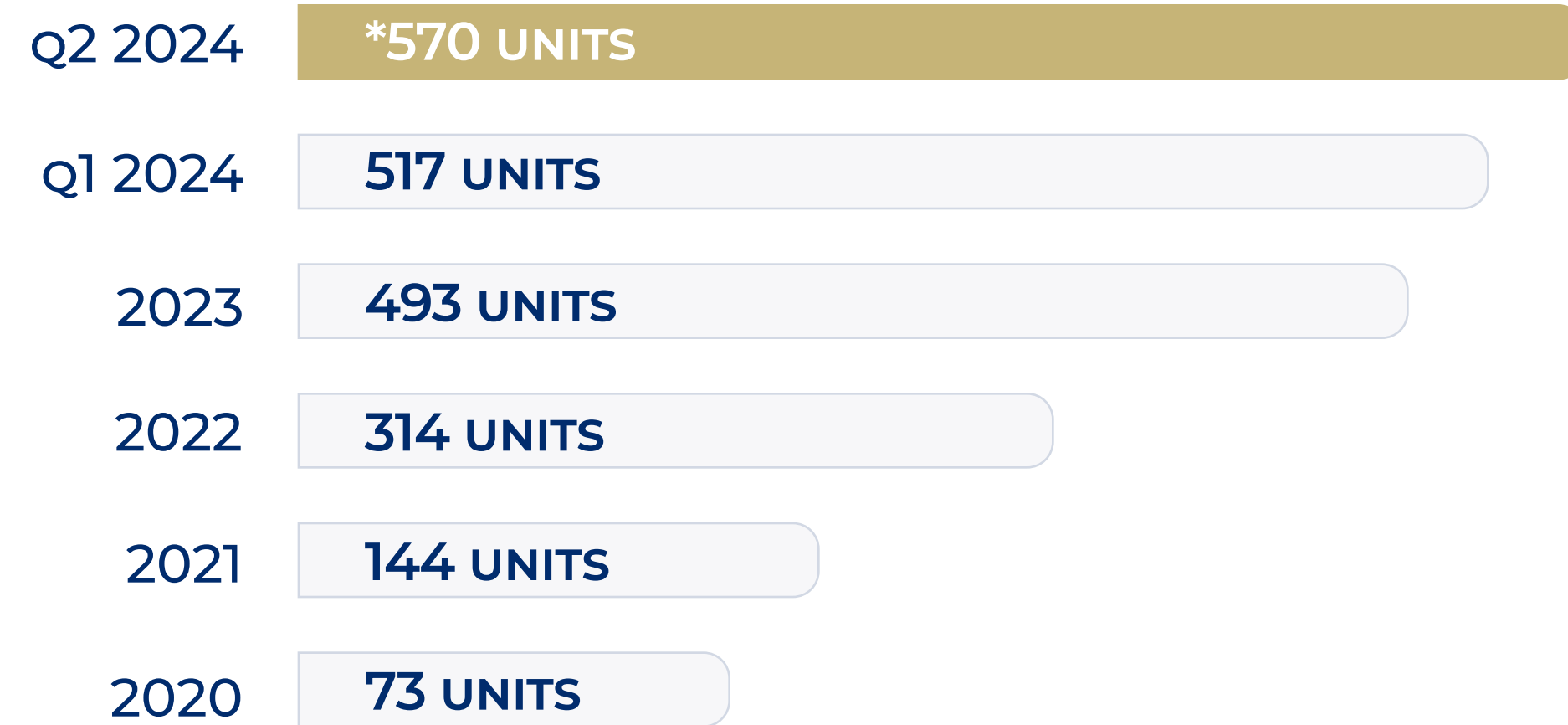
**3** PROVINCES



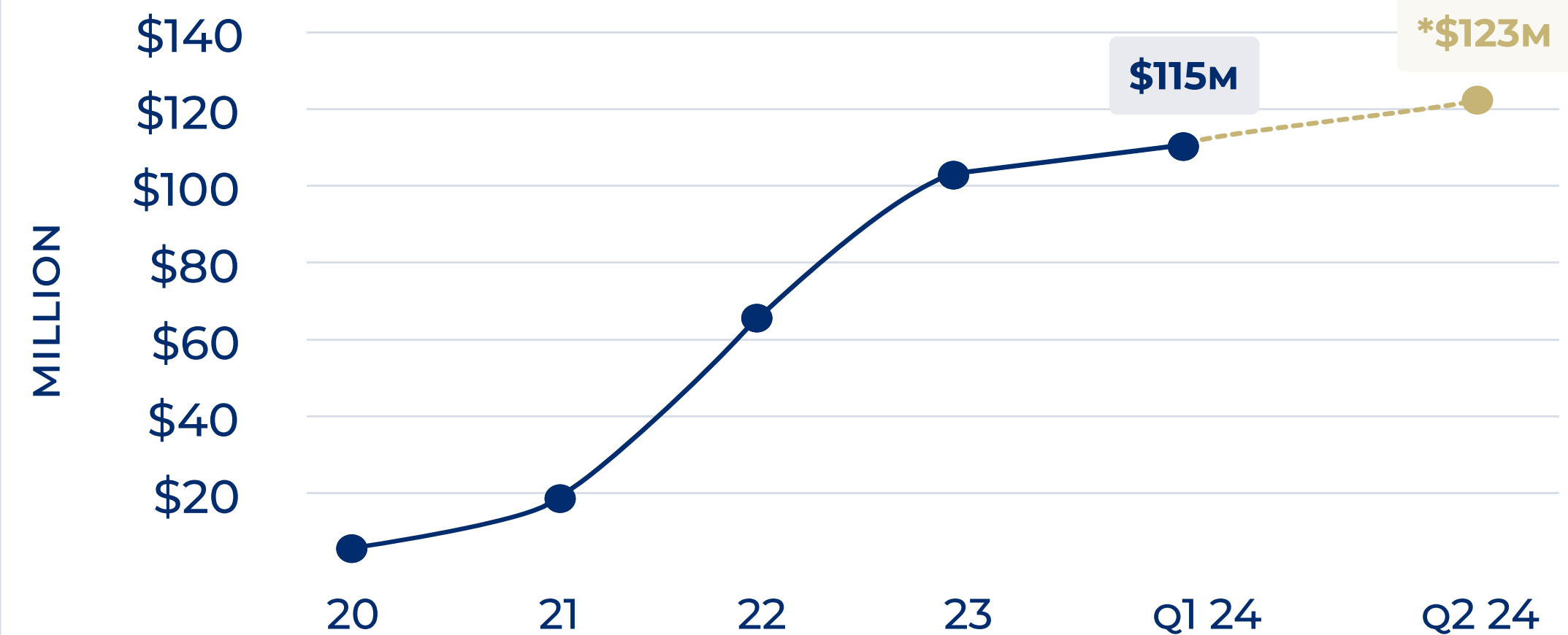
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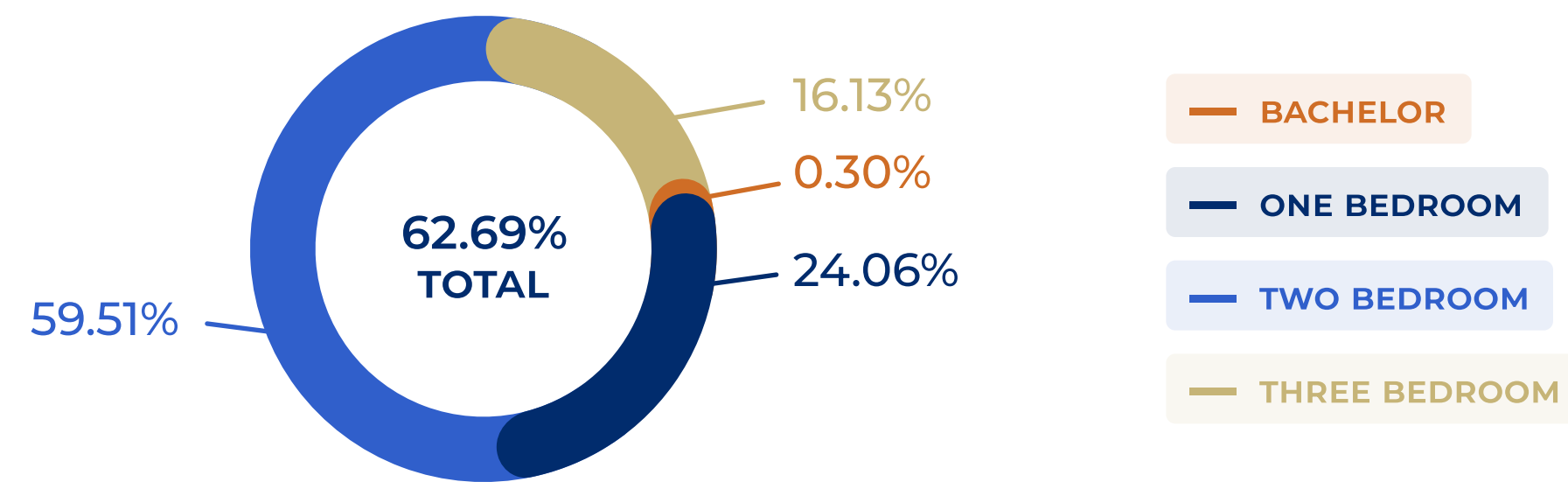
## UNIT GROWTH



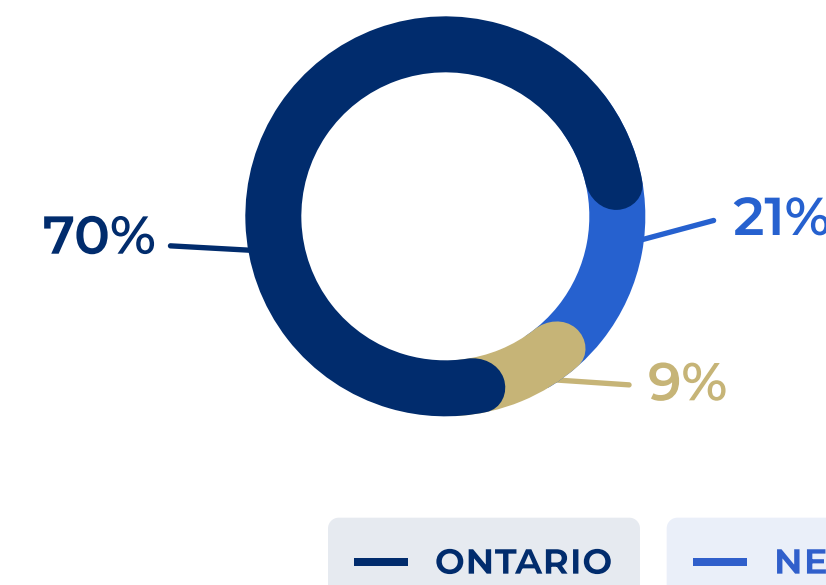
## AUM GROWTH



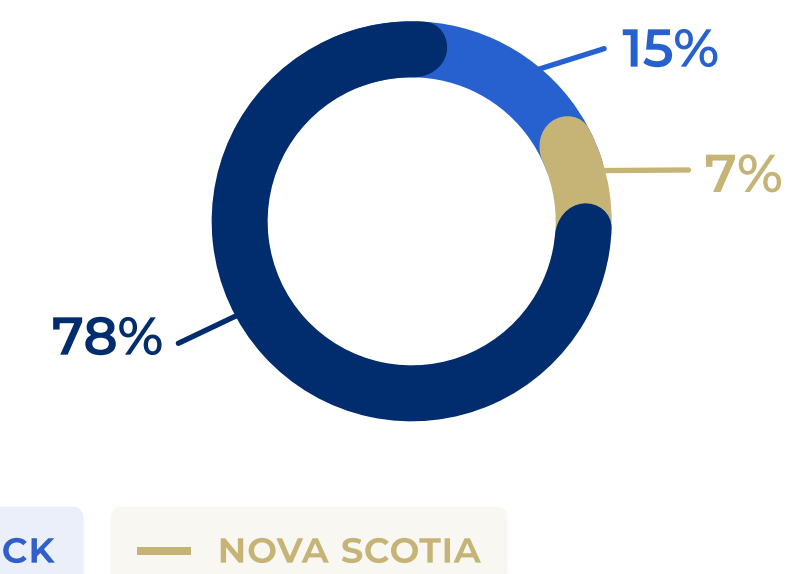
## \*\*PORTFOLIO GAP TO MARKET



## \*UNITS BY PROVINCE



## \*AUM BY PROVINCE





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# OFFERING SUMMARY

	Class A	Front Load Class A	Class C	Class F
<b>FUNDSERV CODES</b>	BEL3201	BEL3202	BEL3203	BEL3205
<b>*TARGETED RETURN</b>	8.0% targeted net distribution per annum 12.0% - 15.0% targeted total net annual return	8.0% targeted net distribution per annum 12.0% - 15.0% targeted net distribution per annum	8% targeted net distribution at invested unit price per annum 12.0% - 15.0% targeted total net annual return	8.0% targeted net distribution per annum 12.0% - 15.0% targeted total net annual return
<b>DISTRIBUTION FREQUENCY</b>	Monthly	Monthly	Monthly	Monthly
<b>PRICE PER UNIT</b>	\$10.75 per unit	\$10.75 per unit	\$10.75 per unit	\$10.75 per unit
<b>MINIMUM INVESTMENT</b>	\$10,000 (RRSP, RIF, LIRA, TFSA, RESP - eligible)	\$10,000 (RRSP, RIF, LIRA, TFSA, RESP - eligible)	\$25,000 (RRSP, RIF, LIRA, TFSA, RESP - eligible)	\$10,000 (RRSP, RIF, LIRA, TFSA, RESP - eligible)
<b>DRIP</b>	Yes (2% discount per each unit at the current market price)	Yes (2% discount per each unit at the current market price)	Yes (2% discount per each unit at the current market price)	Yes (2% discount per each unit at the current market price)
<b>REGISTERED PLANS</b>	Eligible	Eligible	Eligible	Eligible
<b>CARRIED INTEREST</b>	70% (Investors) / 30% (Management) (Hurdle Rate of 8.0%)	80% (Investors) / 20% (Management) (Hurdle Rate of 8.0%)	80% (Investors) / 20% (Management) (Hurdle Rate of 8.0%)	80% (Investors) / 20% (Management) (Hurdle Rate of 8.0%)
<b>SELLING COMMISSIONS</b>	Up to 6.5% 10.0% carried interest	Negotiable (on the principal amount of a Subscriber's investment) 1.0% trailer fee	Up to 4.5% 0.75% trailer fee	No Commissions Trailer fees are paid
<b>REDEMPTION SCHEDULE</b>	Year 1 92%    Year 3 96% Year 2 94%    Thereafter 100%	6 Months 3% short term trading fee added to redemption Thereafter 100%	Year 1 92%    Year 3 96% Year 2 94%    Thereafter 100%	6 Months 3% short term trading fee added to redemption Thereafter 100%
<b>REDEMPTION RIGHTS</b>	Cash redemption limit: the greater of \$25,000 per quarter OR 0.75% of AUM per quarter Redemption Notes: issued in lieu of cash if redemption requests exceed the cash redemption limit Redemption Notes are NOT eligible for registered plans			

INVESTORS ARE ENCOURAGED TO REFER TO ITEM 9 - RISK FACTORS OF THE OFFERING MEMORANDUM

# RISK FACTORS

## BUSINESS RISKS

- No Guaranteed Return
- Tax Considerations
- Blind Pool Investment
- Debt Securities & Debt Instruments
- Achievement of Business Objectives
- Illiquidity of Units
- Highly Speculative Offering
- Reliance on Property Management
- No Independent Council for Unitholders
- Redemption of Units
- Potential for Partnership Promissory Notes
- Potential Dilution

## INDUSTRY RISKS

- General Risks Associated with Real Estate Business
- Real Estate Market Competition
- Potential for Significant Capex or Other Fixed Costs
- Financing and Leveraging Risks
- Interest Rate Fluctuations
- Reliance of Trades & Suppliers
- Potential Environmental Issues
- Uninsured Loss of Properties

## TRUST RISKS

- Dependence on Key Personnel (management team)
- Independence of Officers, Directors, and Trustees
- Less than the Maximum Offering
- Ability to Pay Cash Distributions
- Statutes of the Trust/ Mutual Fund
- Trust Status/ SIFT Rules
- Possible Loss of Limited Liability
- General Partner has Limited Assets
- Substantial Losses and Withdrawals



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# CONTACT INFORMATION



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TORONTO, ON  
M5J 1S9**



**437 292 5682**



**INVEST@PIER4REIT.COM**



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# REFERENCE LIST

- 1 [GLOBALNEWS \(2024\). CANADA'S POPULATION HITS 41M MONTHS AFTER BREAKING 40M THRESHOLD. GLOBALNEWS.CA/NEWS/10386750/CANADA-41-MILLION-POPULATION/](https://globalnews.ca/news/10386750/canada-41-million-population/threshold)
- 2 [BANK OF CANADA \(2024\). MONETARY POLICY REPORT JANUARY 2024. WWW.BANKOFCANADA.CA/WP-CONTENT/UPLOADS/2024/01/MPR-2024-01-24.PDF](https://www.bankofcanada.ca/wp-content/uploads/2024/01/MPR-2024-01-24.pdf)
- 3 [RBC \(2024\). IT'S NEVER BEEN HARDER TO RENT IN CANADA—VACANCY RATES FALL TO 35-YEAR LOW. THOUGHTLEADERSHIP.RBC.COM/ITS-NEVER-BEEN-HARDER-TO-RENT-IN-CANADA-VACANCY-RATES-FALL-TO-35-YEAR-LOW/](https://thoughtleadership.rbc.com/its-never-been-harder-to-rent-in-canada-vacancy-rates-fall-to-35-year-low/)
- 4 [RBC \(2023\). CANADA'S SHORTAGE OF RENTAL HOUSING COULD QUADRUPLE BY 2026. THOUGHTLEADERSHIP.RBC.COM/PROOF-POINT-SHORTFALL-IN-CANADIAN-RENTAL-HOUSING-COULD-QUADRUPLE-BY-2026/](https://thoughtleadership.rbc.com/proof-point-shortfall-in-canadian-rental-housing-could-quadruple-by-2026/)
- 5 [CBRE CANADA \(2024\). CANADA REAL ESTATE MARKET OUTLOOK 2024. CBRE.CA/INSIGHTS/REPORTS/CANADA-MARKET-OUTLOOK-2024](https://cbre.ca/insights/reports/canada-market-outlook-2024)
- 6 [RENTALS.CA \(2024\). MAY 2024 UPDATE RENTALS.CA RENT REPORT. RENTALS.CA/NATIONAL-RENT-REPORT](https://rentals.ca/national-rent-report)
- 7 [CMHC \(2024\). HOUSING SHORTAGES IN CANADA - UPDATING HOW MUCH HOUSING WE NEED BY 2030. ASSETS.CMHC-SCHL.GC.CA/SITES/CMHC/PROFESSIONAL/HOUSING-MARKETS-DATA-AND-RESEARCH/HOUSING-RESEARCH/RESEARCH-REPORTS/2023/HOUSING-SHORTAGES-CANADA-UPDATING-HOW-MUCH-WE-NEED-BY-2030-EN.PDF](https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/housing-research/research-reports/2023/housing-shortages-canada-updating-how-much-we-need-by-2030-en.pdf)
- 8 [ALTUSGROUP \(2024\). CANADA STATE OF THE MARKET: A YEAR IN REVIEW AND MARKET EXPECTATIONS FOR 2024. WWW.ALTUSGROUP.COM/INSIGHTS/CANADA-STATE-OF-THE-MARKET-A-YEAR-IN-REVIEW-AND-MARKET-EXPECTATIONS-FOR-2024/](https://www.altusgroup.com/insights/canada-state-of-the-market-a-year-in-review-and-market-expectations-for-2024/)
- 9 [PHOTO IS LICENSED, PHOTO ID: 251068444, WWW.SHUTTERSTOCK.COM/IMAGE-PHOTO/OFFICE-BUILDINGS-STRETCH-BLUE-SKY-FINANCIAL-251068444](https://www.shutterstock.com/image-photo/office-buildings-stretch-blue-sky-financial-251068444)