

This short form prospectus is a base shelf prospectus. This short form prospectus has been filed under legislation in each of the provinces and territories of Canada that permit certain information about these securities to be determined after this prospectus has become final and that permit the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained.

*This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. **These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States. Accordingly, these securities may not be offered or sold within the United States or to, or for the account or benefit of any, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act), except pursuant to transactions exempt from registration under the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".***

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. **Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer and Secretary of BSR Real Estate Investment Trust at its head offices located at 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7, by telephone at 501.371.6335, and are also available electronically at www.sedar.com.*

BASE SHELF SHORT FORM PROSPECTUS

New Issue and Secondary Offering

December 1, 2021



BSR REAL ESTATE INVESTMENT TRUST

US\$500,000,000

Units

Debt Securities

Warrants

Subscription Receipts

The price per Offered Unit is stated in U.S. dollars.

BSR Real Estate Investment Trust (the "**REIT**") is an internally managed, unincorporated, open-ended real estate investment trust established under, and governed by, the laws of the Province of Ontario pursuant to a second amended and restated declaration of trust dated April 23, 2020, as the same may be further amended or amended and restated from time to time (the "**Declaration of Trust**").

The REIT may, from time to time during the 25 month period that this short form base shelf prospectus (the "**Prospectus**"), including any amendments, remains valid, offer for sale and issue: (i) trust units of the REIT (the "**Units**"); (ii) debt securities (including convertible debt securities), which may consist of debentures, notes or other types of debt and may be issuable in series (the "**Debt Securities**"); (iii) Unit purchase warrants (the "**Warrants**"); and (iv) subscription receipts to purchase any of the foregoing (the "**Subscription Receipts**" and, together with the Units, the Debt Securities and the Warrants, collectively referred to as the "**Securities**"). The REIT may sell up to US\$500,000,000 aggregate initial offering price of Securities (or the equivalent amount if any Securities are denominated in a currency other than U.S. dollars). The Securities may be offered for sale separately or in combination with one or more other Securities and may be sold from time to time in one or more transactions at a fixed price or prices (which may be changed) or at market prices prevailing at the time of sale, at prices determined by reference to such prevailing market prices or at negotiated prices.

Certain members or affiliates of the Bailey family and the Hughes family (together, the "**Bailey/Hughes Holders**") may also offer Units beneficially owned by them or issuable to them on the exchange of class B units ("**Class B Units**") of BSR Trust, LLC ("**BSR**"), the operating subsidiary of the REIT. This Prospectus qualifies the distribution of Securities by the REIT and by the Bailey/Hughes Holders and their affiliates that are selling Unitholders. See "Selling Unitholders".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY CANADIAN SECURITIES COMMISSION OR REGULATORY AUTHORITY NOR HAS ANY CANADIAN SECURITIES COMMISSION OR REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Prospective investors should be aware that the acquisition of the Securities described herein may have tax consequences. Prospective investors should read the tax disclosure in any applicable Prospectus Supplement; however, this Prospectus or any applicable Prospectus Supplement may not fully describe these tax consequences, and investors should consult their tax adviser prior to making any investment in the Securities.

The specific terms of any Securities offered will be described in one or more shelf prospectus supplements (collectively or individually, as the case may be, a “**Prospectus Supplement**”), including, where applicable: (i) in the case of Units, the number of Units being offered, the offering price and any other specific terms; (ii) in the case of Debt Securities, the specific designation, the aggregate principal amount being offered, the denominations, the currency, the issue and delivery date, the maturity date, the issue price (or the manner of determination thereof if offered on a non-fixed price basis), the interest rate (either fixed or floating, and, if floating, the manner of calculation thereof), the interest payment date(s), the redemption, exchange or conversion provisions (if any), the repayment terms, the form (either global or definitive), the authorized denominations and any other specific terms; (iii) in the case of Warrants, the number of Warrants being offered, the offering price, the exercise price, the form, and any other specific terms; and (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the procedures for the exchange of the Subscription Receipts for Units or any other Securities and any other specific terms. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

All shelf information permitted under applicable Canadian securities laws to be omitted from this Prospectus, including the information disclosed in the specific terms of any offering of Securities, as discussed above, will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, except in cases where an exemption from such delivery requirements has been obtained. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The REIT and/or any selling Unitholders may sell the Securities to or through underwriters or dealers purchasing as principals, and may also sell the Securities directly to one or more purchasers pursuant to applicable statutory exemptions or through agents. See “Plan of Distribution”. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the REIT and/or any selling Unitholders in connection with such offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the proceeds that the REIT and/or any selling Unitholders will receive and any other material terms of the plan of distribution. The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to such prevailing market prices or at negotiated prices, which prices may vary as between purchasers and during the period of distribution of the Securities.

This Prospectus may qualify an “at-the-market distribution” (as defined under applicable Canadian securities legislation). Only the REIT, and not a selling Unitholder, may sell Securities in an “at-the-market distribution”.

In connection with any offering of Securities other than an “at-the-market distribution” (as defined under applicable Canadian securities laws), the underwriters, dealers or agents, as the case may be, may over allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”. No underwriter, dealer or agent involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter, dealer or agent, and no person or company acting jointly or in concert with such underwriter, dealer or agent will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities or securities of the same class as the Securities distributed under this Prospectus, including selling an

aggregate number or principal amount of securities that would result in the underwriter or dealer creating an over-allocation position in the Securities.

The Units are listed on the Toronto Stock Exchange (“**TSX**”) in U.S. dollars under the symbol “HOM.U”, and in Canadian dollars under the symbol “HOM.UN”. The REIT’s head and registered office is located at 333 Bay Street, Toronto, Ontario, M5H 2S7. The head and registered office of BSR is located at 1209 Orange Street, Wilmington, Delaware, U.S.A, 19801. The principal place of business of BSR is located at 1400 West Markham Street, Suite 202, Little Rock, Arkansas, U.S.A, 72201.

Mr. John S. Bailey, Ms. Susan Koehn, Mr. Daniel Oberste, Mr. Blake Brazeal, Mr. W. Daniel Hughes, Jr. and Mr. William A. Halter are Trustees and/or executive officers of the REIT and/or BSR and reside outside Canada. Although such non-resident persons have appointed GODA Incorporators, Inc., 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, as their agent for service of process in Ontario, purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See “Risk Factors”.

Owning the Securities may subject investors to tax consequences. This Prospectus and any applicable Prospectus Supplement may not describe the tax consequences fully. Prospective investors should read the tax discussion in any applicable Prospectus Supplement and consult with a tax advisor with respect to their own particular circumstances.

Each series or issue of Debt Securities, Warrants or Subscription Receipts will be a new issue of securities with no established trading market. Unless specified in a Prospectus Supplement, Securities may not be listed on any securities or stock exchange. Accordingly, unless so specified, there may be no market through which the Securities may be sold and purchasers may not be able to resell the Securities purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See “Risk Factors”.

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GENERAL MATTERS

In this Prospectus, unless the context otherwise requires, references to the “**REIT**” refer to BSR Real Estate Investment Trust and its subsidiaries on a consolidated basis; “**Units**” means the trust units of the REIT; and “**Unitholders**” means holders of Units.

References to Canadian dollars or “**C\$**” are to Canadian currency and references to U.S. dollars, “**\$**” or “**US\$**” are to U.S. currency. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

References to “**management**” in this Prospectus means the persons acting in the capacities of the REIT’s Chief Executive Officer, President and Chief Investment Officer, Co-President and Chief Operating Officer, Chief Financial Officer, Chief Administrative Officer and Chief Accounting Officer. Any statements in this Prospectus or incorporated in this Prospectus by reference made by or on behalf of management are made in such persons’ capacities as officers of the REIT and not in their personal capacities.

All capitalized terms referred to above are defined elsewhere in this Prospectus including under “Glossary of Terms”

RELIANCE

A prospective investor should rely on the information contained in this Prospectus and in the documents incorporated by reference herein and is not entitled to rely on parts of the information contained in this Prospectus or documents incorporated by reference herein to the exclusion of others. The REIT has not authorized anyone to provide investors with additional or different information. The REIT is not offering to sell the Securities in any jurisdiction where the offer or sale of such Securities is not permitted. The information contained in this Prospectus or in the documents incorporated by reference herein is accurate only as of the date of this Prospectus or the respective date of the applicable document incorporated by reference herein, regardless of the time of delivery of this Prospectus or of any sale of the Securities. The REIT’s business, financial condition, results of operations and prospects may have changed since the date of this Prospectus. The REIT does not undertake to update the information contained or incorporated by reference herein, except as required by the applicable securities laws.

For investors outside Canada, the REIT has not done anything that would permit the offering of the Securities or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the offering of the Securities and the possession or distribution of this Prospectus.

Statements included or incorporated by reference in this Prospectus about the contents of any contract, agreement or other documents referred to are not necessarily complete, and in each instance, prospective investors should refer to the actual agreement for a complete description of the matter involved. Each such statement is qualified in its entirety by such reference. Each time the REIT sells Securities under this Prospectus, it will provide a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference herein, contains “forward-looking information” as defined under Canadian securities laws (collectively, “**forward-looking statements**”) which reflect management’s expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of the REIT (including exit or sale plans, acquisitions, capital recycling, capital redevelopment, and rental rate increases), macroeconomic and industry trends (including those relating to job growth, population growth, vacancy and home ownership rates) and the potential impact of and response measures to be taken with respect to the novel coronavirus COVID-19 (“**COVID-19**”). The words “plans”,

“expects”, “does not expect”, “goals”, “seek”, “strategy”, “future”, “estimates”, “intends”, “anticipates”, “does not anticipate”, “projected”, “believes” or variations of such words and phrases or statements to the effect that certain actions, events or results “may”, “will”, “could”, “would”, “should”, “might”, “likely”, “occur”, “be achieved” or “continue” and similar expressions identify forward-looking statements. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking statements. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

Such forward-looking statements are qualified in their entirety by the inherent risks, uncertainties and changes in circumstances surrounding future expectations which are difficult to predict and many of which are beyond the control of the REIT.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the REIT as of the date of this Prospectus, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT’s estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including the documents incorporated by reference herein, including, but not limited to, the REIT’s future growth potential, results of operations, future prospects and opportunities, demographic and industry trends, no change in legislative or regulatory matters, future levels of indebtedness, the tax laws as currently in effect, the continuing availability of capital, current economic conditions and the anticipated impact of COVID-19.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ, possibly materially, from the results discussed in the forward-looking statements, including, but not limited to: (a) the REIT’s ability to execute its growth strategies; (b) the impact of changing conditions in the U.S. multifamily housing market; (c) increasing competition in the U.S. multifamily housing market; (d) the effect of fluctuations and cycles in the U.S. real estate market; (e) the marketability and value of the REIT’s portfolio; (f) changes in the attitudes, financial condition and demand of the REIT’s demographic market; (g) fluctuation in interest rates and volatility in financial markets; (h) developments and changes in applicable laws and regulations; (i) statements regarding the impact of the current global health crisis caused by COVID-19; and (j) such other factors referred to under “Risk Factors” in this Prospectus and the documents incorporated by reference herein, including the REIT’s filings with Securities Commissions or similar authorities in Canada, including the Annual Information Form, the Annual MD&A and the Interim MD&A (each, as defined below).

If any risks or uncertainties with respect to the above materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail under “Risk Factors” should be considered carefully by readers. Although management has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known that management believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

Certain statements included in this Prospectus, including the documents incorporated by reference herein, may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this Prospectus, including the documents incorporated by reference herein. All forward-looking statements are based only on information currently available to the REIT and are made as of the date of the respective documents. Except as expressly required by applicable Canadian securities law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether

as a result of new information, future events or otherwise. All forward-looking statements in this Prospectus are qualified by these cautionary statements.

EXCHANGE RATE INFORMATION

The REIT's portfolio consists of properties located in the states of Texas, Oklahoma and Arkansas. The REIT discloses all financial information contained in this Prospectus in U.S. dollars. The following table sets forth, for the periods indicated, the high, low, average and period-end rates of exchange for US\$1.00, expressed in Canadian dollars, published by the Bank of Canada.

	Nine months ended September 30	Year ended December 31	
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Highest rate during the period	1.2856	1.4496	1.3600
Lowest rate during the period	1.2040	1.2718	1.2988
Average rate for the period	1.2513	1.3415	1.3269
Rate at the end of the period	1.2741	1.2732	1.2988

On November 30, 2021, the daily average rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was US\$1.0000 equals C\$1.2792. The REIT makes no representation that U.S. dollars could be converted into Canadian dollars at that rate or any other rate.

NON-IFRS MEASURES

In this Prospectus, including the documents incorporated by reference herein, the REIT uses certain non-IFRS financial measures, including certain real estate industry metrics, to measure, compare and explain the operating results and financial performance of the REIT. These measures are commonly used by entities in the real estate industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS.

FFO, AFFO and NOI

In February 2019, the Real Property Association of Canada ("**REALPAC**"), published a white paper titled "White Paper on Funds From Operations & Adjusted Funds From Operations for IFRS". The purpose of the white paper is to provide reporting issuers and investors with greater guidance on the definition of funds from operations ("**FFO**") and adjusted funds from operations ("**AFFO**") and to help promote more consistent disclosure from reporting issuers. The REIT's method of calculating FFO and AFFO is substantially in accordance with REALPAC's recommendations, but may differ from other issuer's methods and, accordingly, may not be comparable to FFO and AFFO, respectively, reported by other issuers.

The REIT defines FFO as IFRS consolidated net income or loss adjusted for items such as unrealized changes in the estimated fair value of investment properties, the effect of changes in value of puttable instruments classified as financial liabilities, property taxes accounted for under IFRS Interpretations Committee – 21 Levies, transaction costs expensed as a result of the purchase of a property being accounted for as a business combination, transaction costs expenses as a result of the issuance of convertible debentures, changes in the fair value of financial instruments which are economically effective hedges but do not qualify or were not designated for hedge accounting, losses on extinguishment of debt, changes in tenant in common interest and operational revenue and expenses from right of use assets and transaction costs expenses as a result of property dispositions. FFO should not be construed as an alternative to net income (loss) or cash flows provided by or used in operating activities determined in accordance with IFRS. The REIT regards FFO as a key measure of operating performance.

The REIT defines AFFO as FFO adjusted for items such as actual maintenance capital expenditures incurred, straight-line rental revenue differences, severance/retention costs associated with the disposition of investment properties, realized rental guaranties associated with properties in lease up. AFFO should not be construed as an alternative to net income (loss) or cash flows provided by or used in operating activities determined in accordance with IFRS. The REIT regards AFFO as a key measure of operating performance.

Net operating income (“**NOI**”) is defined as total revenue from properties (i.e. rental revenue and other property income) less direct property operating expenses and realty taxes prepared in accordance with IFRS, except for adjustments related to IFRS Interpretations Committee – 21 Levies. NOI should not be construed as an alternative to net income determined in accordance with IFRS. Additionally, the REIT elects to adjust for severance/retention costs on dispositions. The REIT’s method of calculating NOI may differ from other issuers’ methods and, accordingly, may not be comparable to NOI reported by other issuers. The REIT regards NOI as an important measure of the income generated from the income producing properties and is used by the REIT in evaluating the performance of the REIT’s properties. It is also a key input in determining the value of the REIT’s properties.

See the REIT’s Interim MD&A for a reconciliation of FFO, AFFO and NOI to the most directly comparable IFRS measure.

Other Real Estate Industry Metrics

Additionally, this Prospectus, including the documents incorporated by reference herein, may contain several other real estate industry metrics that could be considered non-IFRS financial measures.

- **“AFFO Payout Ratio”** is defined as total cash distributions of the REIT (including distributions on Class B Units) divided by AFFO.
- **“AFFO per Unit”** is defined as AFFO divided by the weighted average Unit count for the period, which is representative of the combined Units, Class B Units and issued Deferred Units.
- **“Debt to Gross Book Value Ratio”** is calculated by dividing debt, which consists of total loans and borrowings and convertible debentures, by Gross Book Value.
- **“FFO per Unit”** is defined as FFO divided by the weighted average Unit count for the period, which is representative of the combined Units, Class B Units and issued Deferred Units.
- **“Gross Book Value”** means the book value of the total assets of the REIT and its consolidated subsidiaries, as shown on its then most recent consolidated statement of financial position prepared in accordance with IFRS.
- **“Liquidity”** is defined as (a) cash and cash equivalents (unrestricted), plus (b) borrowing capacity available under any existing credit facilities.
- **“NAV”** means net asset value and is calculated as the sum of the value of Unitholders' equity and Class B Units as of the balance sheet date.
- **“NAV per Unit”** is calculated by dividing NAV by the number of Units, Class B Units and issued Deferred Units outstanding as of the balance sheet date.
- **“NOI margin”** is defined as NOI divided by total revenue.
- **“Same Community”** results are used by management to evaluate period-over-period performance of investment properties fully-owned by the REIT during both respective periods. Same Community results represent total revenues, property operating expenses, real estate taxes and property tax liability adjustment, net (IFRIC 21). These results remove the impact of acquisitions and dispositions.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with Securities Commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer and Secretary of the REIT at its head offices located at 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7, by telephone at 501.371.6335, or electronically on SEDAR at www.sedar.com.

Except to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus, the following documents filed by the REIT with the Securities Commissions or similar authorities in the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the audited consolidated financial statements of the REIT for the year ended December 31, 2020, together with the notes thereto and the auditors' report thereon (the "**Annual Financial Statements**");
- (b) the management's discussion and analysis of the results of operations and financial condition of the REIT for the year ended December 31, 2020 (the "**Annual MD&A**");
- (c) the unaudited interim consolidated financial statements of the REIT and accompanying notes for the three and nine months ended September 30, 2021, together with the notes thereto (the "**Interim Financial Statements**");
- (d) the management's discussion and analysis of the results of operations and financial condition of the REIT for the three and nine months ended September 30, 2021 (the "**Interim MD&A**");
- (e) the annual information form of the REIT dated March 9, 2021 for the year ended December 31, 2020 (the "**Annual Information Form**"); and
- (f) the management information circular of the REIT dated March 9, 2021 in respect of the annual general meeting of Unitholders held on May 12, 2021.

Any documents of the type described in Item 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* which are filed by the REIT with the Securities Commissions or similar authorities in the provinces and territories of Canada subsequent to the date of this Prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference in this Prospectus.

Notwithstanding anything herein to the contrary, any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Upon a new annual information form and consolidated annual financial statements being filed by the REIT with the Securities Commissions or similar authorities in Canada during the period that this Prospectus is effective, the previous annual information form, the previous consolidated annual financial statements and all consolidated

interim financial statements and, in each case, the accompanying management's discussion and analysis and material change reports filed prior to the commencement of the financial year of the REIT in which the new annual information form is filed shall be deemed to no longer be incorporated into this Prospectus for purpose of future offers and sales of Securities under this Prospectus. Upon consolidated interim financial statements and the accompanying management's discussion and analysis being filed by the REIT with the Securities Commissions or similar authorities in Canada during the period that this Prospectus is effective, all consolidated interim financial statements and the accompanying management's discussion and analysis filed prior to such new consolidated interim financial statements and management's discussion and analysis shall be deemed to no longer be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. In addition, upon a new management information circular for an annual meeting of Unitholders being filed by the REIT with the Securities Commissions or similar authorities in Canada during the period that this Prospectus is effective, the previous management information circular filed in respect of the prior annual meeting of Unitholders shall no longer be deemed to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

A Prospectus Supplement containing the specific variable terms in respect of any Securities, updated disclosure of earnings interest coverage ratios (if applicable) and any additional or updated information that the REIT may elect to include (provided that such information does not describe a material change that has not already been the subject of a material change report or a prospectus amendment) will be delivered to purchasers of such Securities, together with this Prospectus, unless an exemption from the prospectus delivery requirements has been granted or is otherwise available, and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement, but only for the purposes of the offering of the Securities covered by such Prospectus Supplement.

SUMMARY DESCRIPTION OF THE BUSINESS OF THE REIT

The REIT is an internally managed, unincorporated, open-ended real estate investment trust established pursuant to the Declaration of Trust under the laws of the Province of Ontario. The head office of the REIT is located at 333 Bay Street, Suite 3400, Toronto Ontario M5H 2S7. The REIT was formed for the purpose of acquiring and owning multifamily real estate properties.

The REIT's portfolio of properties currently consists of 28 multifamily residential properties comprising 7,607 apartment units that are located in five major metropolitan markets within three bordering states throughout the Sunbelt region of the United States, which is generally considered the southeastern and southwestern regions of the United States. The REIT currently operates in Texas, Oklahoma and Arkansas.

The objectives of the REIT are to: (a) provide Unitholders with an opportunity to invest in a portfolio of quality multifamily real estate properties located in attractive U.S. markets having employment and population growth as well as diverse economies including industry, government and education, with a particular focus on the Sunbelt region which is generally considered the southeastern and southwestern regions of the United States; (b) enhance the value of the REIT's assets and maximize long term Unit value through active internal asset and property management programs and procedures; (c) expand the asset base of the REIT and increase the REIT's AFFO per Unit and NAV per Unit primarily through acquisitions in attractive growth markets, improvement of its properties using targeted capital expenditures and recycling of capital through strategic dispositions; and (d) provide Unitholders with predictable, sustainable, growing and tax efficient cash distributions.

The REIT is internally managed by a team of seasoned senior professionals dedicated to the REIT's strategic objectives on a non-conflicted basis. As a fully integrated owner and operator, the REIT is supported by internal capabilities across all disciplines, including acquisitions, asset management, property management, development/redevelopment, financing and capital markets, audit/regulatory affairs, marketing/branding and human resources. Management has extensive experience with the REIT's portfolio, having sourced and managed all of the properties since their acquisition. With an internally managed platform, the REIT benefits from an in-house management team dedicated to the REIT's strategic objectives while operating under an efficient and scalable cost structure.

Consistent with the REIT's past practices and in the normal course of business, the REIT is continuously engaged in discussions with respect to possible acquisitions of and investments in new assets and businesses, dispositions of existing assets, including those contemplated as a part of the REIT's capital recycling initiatives, and related financings and refinancings. There can be no assurance that any of these discussions will result in a definitive agreement, and, if they do, what the terms or timing of any acquisition, investment, disposition, financing or refinancing would be, if consummated. The REIT expects to continue current discussions and actively pursue acquisition, investment, disposition, financing and refinancing opportunities, which currently, or may from time to time, involve entering into purchase and sale agreements that are subject to various conditions, including due diligence. As of the date hereof, there are no significant probable acquisitions identified by the REIT, whereby financial statements would be required to be included in this Prospectus in order for this Prospectus to contain full, true and plain disclosure.

RECENT DEVELOPMENTS

There have been no material developments in the business of the REIT since September 30, 2021, the date of the REIT's most recent Interim Financial Statements, which have not been disclosed in this Prospectus or the documents incorporated by reference herein, other than as follows:

On November 23, 2021, the REIT announced the disposition of Windhaven Park and Heritage at Hillcrest located in the Dallas, Texas and Austin, Texas metropolitan statistical areas (MSAs), respectively. The REIT received gross consideration of US\$148 million for the dispositions, totalling 760 apartment units. The net proceeds of US\$142 million were used to repay US\$59 million in mortgage debt with the balance used to reduce the outstanding balance on the Credit Facility.

CONSOLIDATED CAPITALIZATION OF THE REIT

Since September 30, 2021, being the date of the REIT's most recently completed Interim Financial Statements, there have been no material changes in the capitalization of the REIT, other than as set forth below.

The following table sets forth the consolidated capitalization of the REIT as at September 30, 2021, and the *pro forma* consolidated capitalization of the REIT as at September 30, 2021 after giving effect to the transactions described above under "Recent Developments". The table should be read in conjunction with the Interim Financial Statements and notes thereto incorporated by reference in this Prospectus.

	September 30, 2021 (unaudited)	September 30, 2021 (unaudited—pro forma after giving effect to the transactions described under "Recent Developments")
	(US\$000s – except Units) ⁽¹⁾	(US\$000s – except Units) ⁽¹⁾
Indebtedness		
Loans and borrowings	US\$694,588	US\$552,588 ⁽²⁾
Class B Units	US\$330,362	US\$326,762 ⁽³⁾
Debentures	US\$47,388	US\$47,296 ⁽⁴⁾
Unitholders' Equity	US\$596,109	US\$593,801
Units	30,960,530	31,187,365
<i>(Authorized – unlimited; Issued – 30,960,530)</i>		
Total Capitalization	US\$1,668,447	US\$1,520,447

Notes:

- (1) On September 29, 2021, the daily average rate of exchange posted by the Bank of Canada for the conversion of U.S. dollars into Canadian dollars was US\$1.000 equals C\$1.2741.
- (2) On November 23, 2021, the REIT disposed of Windhaven Park and Heritage at Hillcrest for gross proceeds of US\$148 million. Net proceeds of US\$142 million were used to repay US\$59 million in mortgage debt and the balance used to reduce the outstanding balance on the Credit Facility.
- (3) The REIT redeemed 221,558 Class B Units for REIT Units at a weighted average price per unit of US\$16.25.
- (4) The REIT issued 5,277 Units in connection with the conversion of Debentures at the option of the holder such that approximately 69.4444 Units were issued for each US\$1,000 principal amount of Debentures converted.

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in a Prospectus Supplement relating to a specific offering and issuance of Securities. The REIT may use net proceeds from the sale of Securities to repay indebtedness outstanding from time to time, to fund the acquisition of real property and other investments as permitted by the Declaration of Trust, for capital expenditures and for other general purposes. The REIT will not receive any proceeds from any sale of any Securities by selling Unitholders.

PLAN OF DISTRIBUTION

The REIT and/or any selling Unitholders may from time to time during the 25-month period that this Prospectus, including any amendments hereto, remains valid, offer for sale and issue the Securities. During such period, the REIT may sell up to US\$500,000,000 in the aggregate, of initial offering price of Securities (or the equivalent amount if any Securities are denominated in a currency other than U.S. dollars).

The REIT and/or any selling Unitholders will sell the Securities to or through underwriters or dealers or purchasers directly, through applicable statutory exemptions, or through agents. The Securities may be sold from time to time in one or more transactions at a fixed price or prices, which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 - *Shelf Distributions* (“NI 44-102”), including sales made directly on the TSX or other existing trading markets for the Securities. Only the REIT, and not a selling Unitholder, may sell Securities in an “at-the-market distribution. Any such transactions that are deemed “at-the-market-distributions” will be subject to regulatory approval. No underwriter, dealer or agent, no affiliate of such underwriter, dealer or agent and no person acting jointly or in concert with such underwriter, dealer or agent involved in an “at-the-market distribution” will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

A Prospectus Supplement will identify each underwriter, dealer or agent, as the case may be, engaged by the REIT and/or any selling Unitholders in connection with such offering and sale of the Securities, and will set forth the terms of the offering, including the name(s) of any underwriters, dealers or agents, the purchase price(s) of the Securities, the proceeds to the REIT and/or any selling Unitholders from the sale of Securities, any initial public offering price (or the manner of determination thereof if offered on a non-fixed price basis), any underwriting discount or commission and any discounts, concessions or commissions allowed or paid by any underwriter to other dealers. Any initial public offering price and any discounts, concessions or commissions allowed or paid to dealers may be changed from time to time. Underwriters, dealers and agents that participate in the distribution of the Securities may be deemed to be underwriters for the purposes of applicable Canadian securities legislation and any such compensation received by them from the REIT and/or any selling Unitholder and any profit on the resale of the Securities by them may be deemed to be underwriting commissions.

In connection with any offering of Securities, except as otherwise set out in a Prospectus Supplement relating to a particular offering of Securities and other than in relation to an “at-the-market” distribution, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions intended to fix, stabilize, maintain or otherwise affect the market price of the Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. Other than in relation to an “at-the-market” distribution, any underwriters or agents to or through whom Securities are sold by the REIT may make a market in the Securities, but they will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any of the Securities will develop or as to the liquidity of any trading market for the Securities.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under certain agreements to be entered into with the REIT and/or any selling Unitholders to indemnification by the REIT and/or any selling Unitholders against certain liabilities, including liabilities under Canadian securities legislation or to contribution with respect to payments that they may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for the REIT and/or any selling Unitholders in the ordinary course of business.

The Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Securities may not be offered, sold or delivered within the United States, and each underwriter or agent for any offering of Securities will agree that it will not offer, sell or deliver the Securities within the United States, except pursuant an exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder (“**Rule 144A**”) and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of the offering of Securities, any offer or sale of such Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Securities in the United States or to, or for the account or benefit of, U.S. persons.

Unless otherwise specified in the applicable Prospectus Supplement, each series or issue of Securities (other than Units) will be a new issue of Securities with no established trading market. Accordingly, there is currently no market through which the Securities (other than Units) may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus and the applicable Prospectus Supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See “Risk Factors”.

EARNINGS COVERAGE RATIOS

Earnings coverage ratios will be provided as required in the applicable Prospectus Supplement with respect to the offering and issuance of Debt Securities pursuant to this Prospectus.

DESCRIPTION OF SECURITIES

The following is a summary of the material attributes and characteristics of the Securities as at the date of this Prospectus. The summary does not purport to be complete and is indicative only. The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to such Securities, will be set forth in the applicable Prospectus Supplement. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. The Securities will not include any novel derivatives or asset-backed securities as discussed under Part 4 of NI 44-102.

Units

This section describes the general terms that will apply to any Units that may be offered by the REIT pursuant to this Prospectus. Units may be offered separately or together with other Securities, as the case may be. For additional information respecting the Units, see the Declaration of Trust, which is available electronically at www.sedar.com, and the Annual Information Form, which is incorporated by reference herein.

The REIT is authorized to issue an unlimited number of Units pursuant to the Declaration of Trust. As at November 30, 2021, there were 31,187,365 Units issued and outstanding. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without notice to or the approval of the Unitholders.

No Unit has any preference or priority over another. Each Unit represents a Unitholder's proportionate undivided beneficial ownership interest in the REIT and confers the right to one vote at any meeting of Unitholders and to participate pro rata in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities.

Units will be fully paid and non-assessable when issued and are transferable. The Units are redeemable at any time on demand by the holders thereof and, except as otherwise described in this Prospectus and in the documents incorporated by reference in herein, the Units have no other conversion, retraction, redemption or pre-emptive rights. Fractional Units may be issued as a result of an act of the Trustees, but fractional Units will not entitle the holders thereof to vote, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

Debt Securities

This section describes the general terms that will apply to any Debt Securities that may be offered by the REIT pursuant to this Prospectus. Debt Securities may be offered separately or together with other Securities, as the case may be.

The following sets forth certain general terms and provisions of the Debt Securities offered under this Prospectus. The specified terms and provisions of the Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described in this section apply to those Debt Securities, will be set forth in the applicable Prospectus Supplement.

The Debt Securities will be direct obligations of the REIT and may be guaranteed by an affiliate or associate of the REIT. The Debt Securities may be senior or subordinated indebtedness of the REIT and may be secured or unsecured, all as described in the relevant Prospectus Supplement. In the event of the insolvency or winding up of the REIT, the subordinated indebtedness of the REIT, including the subordinated Debt Securities, will be subordinate in right of payment to the prior payment in full of all other liabilities of the REIT (including senior indebtedness), except those which by their terms rank equally in right of payment with or are subordinate to such subordinated indebtedness.

The Debt Securities will be issued under one or more trust indentures (each, a "**Trust Indenture**"), in each case between the REIT and a trustee (each, an "**Indenture Trustee**"). The statements made hereunder relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Each Trust Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount, which may be authorized from time to time by the REIT.

The particular terms of each issue of Debt Securities will be described in the related Prospectus Supplement. Such description will include, where applicable:

- (a) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- (b) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than U.S. dollars);
- (c) the percentage of the principal amount at which such Debt Securities will be issued;
- (d) the date or dates on which such Debt Securities will mature;
- (e) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- (f) the dates on which any such interest will be payable and the record dates for such payments;
- (g) the Indenture Trustee of the Debt Security under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- (h) the designation and terms of any securities with which the Debt Securities will be offered, if any, and the number of Debt Securities that will be offered with each security;
- (i) whether the Debt Securities are subject to redemption or call and, if so, the terms of such redemption or call provisions;
- (j) whether such Debt Securities are to be issued in registered form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- (k) any exchange or conversion terms;
- (l) whether the Debt Securities will be subordinated to other liabilities of the REIT and, if so, to what extent;
- (m) the material tax consequences of owning the Debt Securities, if any; and
- (n) any other material terms and conditions of the Debt Securities.

Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

Any Prospectus Supplement offering guaranteed Debt Securities will comply with the requirements of Item 12 of Form 44-101F1 or the conditions for an exemption from those requirements and will include a certificate from each credit supporter as required by section 21.1 of Form 44-101F1 and section 5.12 of National Instrument 41-101 – *Short Form Prospectus Distributions*.

The REIT will deliver, along with this Prospectus, an undertaking to the Securities Commissions that the REIT will, if any Debt Securities are distributed under this Prospectus, file the periodic and timely disclosure of any credit supporter similar to the disclosure required under section 12.1 of Form 44-101F1, for so long as the Debt Securities are issued and outstanding.

A Prospectus Supplement may include specific variable terms pertaining to the Debt Securities that are not within the alternatives and parameters described in this Prospectus.

Denominations, Registration and Transfer

Unless otherwise provided for in the applicable Prospectus Supplement with respect to a particular series of Debt Securities, Debt Securities will be issued in fully registered form (including global form) and in denominations and integral multiples as set out in the applicable Prospectus Supplement. Other than in the case of book-entry only securities, Debt Securities may be presented for registration or transfer (with the form of transfer endorsed thereon duly executed) at the corporate trust office of the Indenture Trustee in Toronto, Ontario or at the office of any transfer agent designated by the REIT for such purpose with respect to any Debt Securities referred to in a Prospectus Supplement. Reasonable service charges may be levied for certain transfers, conversions or exchanges of the Debt Securities. The REIT may require payment of a sum to cover any tax or other governmental charge payable in connection therewith. The Indenture Trustee or such transfer agent, as the case may be, will effect such transfer, conversion or exchange only when satisfied with the documents of title and the identity of the person making the request. If a Prospectus Supplement refers to any transfer agent in addition to the Indenture Trustee initially designated by the REIT with respect to any series of Debt Securities, the REIT may at any time rescind the designation of any such transfer agent or approve any change in the location through which such transfer agent acts.

In the case of book-entry only securities, a global certificate or certificates (a “**Global Security**”) representing such Debt Securities will be held by a designated depository (the “**Depository**”) for its participants. The Debt Securities may be purchased or transferred only through such participants, which include securities brokers and dealers, banks and trust companies. The Depository will establish and maintain book-entry accounts for its participants acting on behalf of beneficial holders of such Debt Securities. The interests of beneficial holders of such Debt Securities will be represented by entries in the records maintained by the participants. Beneficial holders of Debt Securities issued in book-entry only form will not be entitled to receive a certificate or other instrument evidencing their ownership thereof, except in limited circumstances. Each such beneficial holder will typically receive a customer confirmation of purchase from the participant from which the Debt Securities are purchased in accordance with the practices and procedures of that participant.

Payment

Unless otherwise specified in the applicable Prospectus Supplement, payment of principal of and premium (if any) on a Debt Security will be made in U.S. currency against surrender of the Debt Security at the corporate trust office of the Indenture Trustee in Toronto, Ontario. Unless otherwise indicated in the applicable Prospectus Supplement, payment of any instalment of interest on a Debt Security is registered at or before the close of business on the recorded date for such interest payment.

Warrants

This section describes the general terms that will apply to any Warrants that may be offered by the REIT pursuant to this Prospectus. Warrants may be offered separately or together with other Securities, as the case may be.

The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. The Warrants will be issued under a warrant indenture. The applicable Prospectus Supplement will include the details of the warrant indenture governing the Warrants being offered.

The particular terms of each issue of Warrants will be described in the related Prospectus Supplement. Such description will include, where applicable:

- (a) the number of Warrants being offered and, if offered as a units with another Security, the number of Warrants or a fraction of a Warrant being offered with such other Security;
- (b) the Securities which are underlying the Warrants;

- (c) the exercise price of the Warrants;
- (d) the expiry date of the Warrants;
- (e) the procedure for exercising Warrants into underlying Securities;
- (f) the indenture trustee of the Warrants under the warrant indenture pursuant to which the Warrants are to be issued, if applicable;
- (g) the material tax consequences of owning the Warrants (if any); and
- (h) any other material terms and conditions of the Warrants.

Subscription Receipts

This section describes the general terms that will apply to any Subscription Receipts that may be offered by the REIT pursuant to this Prospectus. Subscription Receipts may be offered separately or together with other Securities, as the case may be.

The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. The Subscription Receipts will be issued under a subscription receipt agreement. The applicable Prospectus Supplement will include details of the subscription receipt agreement governing the Subscription Receipts being offered.

The particular terms of each issue of Subscription Receipts will be described in the related Prospectus Supplement. Such description will include, where applicable:

- (a) the number of Subscription Receipts being offered;
- (b) the price at which the Subscription Receipts will be offered;
- (c) the Securities into which Subscription Receipts are exchangeable;
- (d) the procedures for the exchange of the Subscription Receipts into Securities;
- (e) the number of Securities that may be exchanged upon exercise of each Subscription Receipt;
- (f) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each security;
- (g) the material tax consequences of owning the Subscription Receipts (if any); and
- (h) any other material terms and conditions of the Subscription Receipts.

DISTRIBUTION POLICY

The REIT has adopted a distribution policy, as permitted under the Declaration of Trust. See the section entitled “Distributions — Distribution Policy” in the Annual Information Form for a description of the REIT’s distribution policy.

PRIOR SALES

Information regarding prior sales of Securities will be provided as required in a Prospectus Supplement with respect to the offering and issuance of Securities pursuant to such Prospectus Supplement.

TRADING PRICE AND VOLUME

Information regarding trading price and volume of the Securities will be provided as required for all of the REIT's issued and outstanding Securities that are listed on any securities exchange, as applicable, in each Prospectus Supplement.

SELLING UNITHOLDERS

This Prospectus may also, from time to time, relate to the offering of Units by way of a secondary offering by certain selling Unitholders. The terms under which the Units will be offered by selling Unitholders will be described in the applicable Prospectus Supplement. The Prospectus Supplement for or including any offering of the Units by selling Unitholders will include, where applicable:

- (a) the names of the selling Unitholders;
- (b) the number of Units owned, controlled or directed by each of the selling Unitholders;
- (c) the number of Units being distributed for the account of each selling Unitholder;
- (d) the number of Units to be owned, controlled or directed by the selling Unitholders whether the Units are owned by the selling Unitholders both of record and beneficially, of record only or beneficially only;
- (e) if a selling Unitholder purchased any of the Units held by it in the 24 months preceding the date of the applicable Prospectus Supplement, the date or dates the selling Unitholder acquired the Units; and
- (f) if a selling Unitholder acquired the Units held by it in the 12 months preceding the date of the applicable Prospectus Supplement, the cost thereof to the selling Unitholder in the aggregate on a per security basis.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain income tax consequences to an investor acquiring any Securities offered thereunder, including, for investors who are non-residents of Canada, whether the payments of principal, interest or distributions, if any, on the Securities will be subject to Canadian non-resident withholding tax. Prospective investors should consult their own tax advisers prior to deciding to purchase any of the Securities.

RISK FACTORS

Before deciding to invest in any Securities, prospective investors of the Securities should consider carefully the risk factors and the other information contained and incorporated by reference in this Prospectus and the applicable Prospectus Supplement relating to a specific offering of Securities before purchasing the Securities, including those risks identified and discussed under the heading "Risk Factors" in the Annual Information Form, the Annual MD&A and the Interim MD&A, which are incorporated by reference herein. See "Documents Incorporated by Reference".

An investment in the Securities offered hereunder is speculative and involves a high degree of risk. Additional risks and uncertainties, including those that the REIT is unaware of or that are currently deemed immaterial, may also become important factors that affect the REIT and its business. If any such risks actually occur, the REIT's business, financial condition and results of operations could be materially adversely affected. Prospective investors should carefully consider the risks below and in the Annual Information Form and the other information elsewhere in this Prospectus, including the documents incorporated by reference herein, and the applicable Prospectus Supplement and consult with their professional advisers to assess any investment in the REIT.

There is no guarantee that the Securities will earn any positive return in the short term or long term.

A holding of Securities is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Securities is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

Management of the REIT will have broad discretion with respect to the application of net proceeds received by the REIT from the sale of Securities under this Prospectus and a future Prospectus Supplement.

Management of the REIT may spend net proceeds received by the REIT from a sale of Securities in ways that do not improve the REIT's results of operations or enhance the value of the Units or its other securities issued and outstanding from time to time. Any failure by management to apply these funds effectively could result in financial losses that could have a material adverse effect on the REIT's business or cause the price of the securities of the REIT issued and outstanding from time to time to decline.

The REIT may sell additional Units or other Securities that are convertible or exchangeable into Units in subsequent offerings or may issue additional Units or other Securities to finance future acquisitions.

The REIT cannot predict the size or nature of future sales or issuances of securities or the effect, if any, that such future sales and issuances will have on the market price of the Units. Sales or issuances of substantial numbers of Units or other Securities that are convertible or exchangeable into Units, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Units. With any additional sale or issuance of Units or other Securities that are convertible or exchangeable into Units, investors will suffer dilution to their voting power and economic interest in the REIT. Furthermore, to the extent holders of the REIT's equity awards or other convertible securities convert or exercise their securities and sell the Units they receive, the trading price of the Units may decrease due to the additional amount of Units available in the market.

The market price for the Units may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the REIT's control. The factors which may contribute to market price fluctuations of the Units include the following:

- (a) actual or anticipated fluctuations in the REIT's quarterly results of operations;
- (b) recommendations by securities research analysts;
- (c) changes in the economic performance or market valuations of companies in the industry in which the REIT operates;
- (d) the addition or departure of the REIT's executive officers and other key personnel;
- (e) sales or perceived sales of additional Units;
- (f) operating and financial performance that varies from the expectations of management, securities analysts and investors;
- (g) regulatory changes affecting the REIT's industry generally and its business and operations;
- (h) announcements of developments and other material events by the REIT or its competitors;
- (i) fluctuations to the costs of vital production materials and services;
- (j) changes in global financial markets and global economies and general market conditions, such as interest rates;

- (k) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the REIT or its competitors;
- (l) operating and share price performance of other companies that investors deem comparable to the REIT or from a lack of market comparable companies; and
- (m) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the REIT's industry or target markets.

There is currently no market through which the Securities, other than the Units and Debentures, may be sold.

Purchasers may not be able to resell the Debt Securities, Warrants, Subscription Receipts or Units purchased under this Prospectus and any Prospectus Supplement. This may affect the pricing of the Securities, other than the Units and Debentures, in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities and the extent of issuer regulation. There can be no assurance that an active trading market for the Securities, other than the Units and Debentures, will develop or, if developed, that any such market, including for the Units and Debentures, will be sustained. The public offering prices of the Securities may be determined by negotiation between the REIT and underwriters based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering. See "Plan of Distribution".

Unitholders of the REIT may be unable to sell significant quantities of Units into the public trading markets without a significant reduction in the price of their Units, or at all. There can be no assurance that there will be sufficient liquidity of the Units on the trading markets, or that the REIT will continue to meet the listing requirements of the TSX or any other public stock exchange.

The Debt Securities may be unsecured and may rank equally in right of payment with all of the REIT's other future unsecured debt.

The Debt Securities may be unsecured. Any unsecured Debt Securities will rank equally in right of payment with all of the REIT's other existing and future unsecured debt. The Debt Securities may be effectively subordinated to all of the REIT's existing and future secured debt to the extent of the assets securing such debt. If the REIT is involved in any bankruptcy, dissolution, liquidation or reorganization, the secured debt holders would, to the extent of the value of the assets securing the secured debt, be paid before the holders of unsecured debt securities, including the Debt Securities. In that event, a holder of Debt Securities may not be able to recover any principal or interest due to it under the Debt Securities.

In addition, the collateral, if any, and all proceeds therefrom, securing any Debt Securities may be subject to higher priority liens in favor of other lenders and other secured parties which may mean that, at any time that any obligations that are secured by higher ranking liens remain outstanding, actions that may be taken in respect of the collateral (including the ability to commence enforcement proceedings against the collateral and to control the conduct of such proceedings) may be at the direction of the holders of such indebtedness.

There is no assurance that any credit rating assigned to Securities issued hereunder will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the Securities.

COVID-19 may have a material adverse effect on the business, financial condition and results of operations of the REIT.

In response to the ongoing outbreak of COVID-19, governmental authorities in Canada and in the U.S. where the REIT operates have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place,

and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it may cause significant impact and economic disruptions to the REIT.

The REIT's highest priority is the health and safety of its residents and team members. Given the fluid nature of the COVID-19 pandemic, management continues to monitor all of its locations to adjust policies and procedures as necessary to provide a safe environment to live and work. A combination of measures has been implemented at each of the REIT's properties based on requirements from state and local governments and recommendations from the Centers for Disease Control and Prevention.

Although the REIT has taken steps to mitigate the impact of COVID-19, the continued presence and spread of COVID-19 could have a material adverse impact on the REIT's business, operations, financial results and position and prospects, including through a general or acute decline in economic activity in the regions the REIT operates in, a decrease in the willingness of the general population to travel, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulation, and the quarantine or contamination of one or more of the REIT's apartment units. Contagion in one of the REIT's buildings or a market in which the REIT operates could negatively impact the REIT's occupancy, its reputation or attractiveness of that market. Any of these occurrences may have a material adverse effect on the business, financial condition and results of operations of the REIT.

The REIT continues to monitor the situation and work with its stakeholders in order to assess further possible implications to its business, and where practicable, mitigate adverse consequences and responsibly address this global pandemic.

The length of the COVID-19 pandemic and severity of such outbreak across the globe is currently unknown, may worsen, may continue to cause general economic uncertainty in key global markets and a worsening of global economic conditions and may cause low levels of economic growth. The pace of recovery following the COVID-19 pandemic cannot be accurately predicted and may be slow.

All of the foregoing occurrences may have a material adverse effect on the business, financial condition and results of operations of the REIT, and accordingly, the trading price of the Units or other Securities.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Prospectus, including the documents incorporated by reference herein, there are no material interests, direct or indirect, of the Trustees or officers of the REIT, any Unitholder that beneficially owns more than 10% of the Units or any associate or affiliate of any of the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would materially affect the REIT or any of its subsidiaries.

LEGAL MATTERS

Certain legal matters relating to an offering of the Securities will be passed upon on behalf of the REIT by Goodmans LLP, Canadian counsel to the REIT, and Mitchell, Williams, Selig, Gates & Woodyard PLLC, U.S. counsel to the REIT. In addition, certain legal matters in connection with an offering and sale of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of such offering and sale by such underwriters, dealers or agents with respect to matters of Canadian and, if applicable, United States or other foreign law. As of the date of this Prospectus the partners and associates of Goodmans LLP and Mitchell, Williams, Selig, Gates & Woodyard, PLLC beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the REIT.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are KPMG LLP, Chartered Professional Accountants, Toronto, Ontario. KPMG LLP is independent of the REIT in accordance with the ethical requirements that are relevant to their audit of the REIT's

consolidated financial statements in Canada. To the knowledge of the REIT, KPMG LLP does not own any registered or beneficial interest, directly or indirectly, in any securities or other property of the REIT.

The transfer agent and registrar for the Units is TSX Trust Company at its principal office located in Toronto, Ontario.

PROMOTER

BSR took the initiative in founding and organizing the REIT and may therefore be considered a promoter of the REIT for the purposes of applicable securities legislation.

PURCHASER'S CONTRACTUAL RIGHTS

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the REIT will have a contractual right of rescission against the REIT in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities, the amount paid for the applicable convertible, exchangeable or exercisable Securities (and any additional amount paid upon conversion, exchange or exercise) in the event that this Prospectus, the applicable Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under Section 130 of the *Securities Act* (Ontario) (the "**Securities Act**"), and is in addition to any other right or remedy available to original purchasers under section 130 of the Securities Act or otherwise at law.

PURCHASERS' STATUTORY RIGHTS

Unless otherwise provided in a Prospectus Supplement, the following is a description of a purchaser's statutory rights. Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities, which right may be exercised within two business days after receipt or deemed receipt of a prospectus, prospectus supplement and any amendment, and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of Securities distributed under an at-the-market distribution by the REIT do not have the right to withdraw from an agreement to purchase the Securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of NI 44-102.

In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation. The remedies available to a purchaser for any such failure to deliver or any misrepresentation contained in any prospectus, prospectus supplement or amendment must be exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. Any remedies under securities legislation that a purchaser of such securities distributed under an at-the-market distribution by the REIT may have against the REIT or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation, will remain unaffected by the non-delivery of the prospectus referred to above. A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

In an offering of Securities which are convertible, exchangeable or exercisable for other securities of the REIT, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights and/or consult with a legal advisor.

GLOSSARY OF TERMS

In this Prospectus, the following terms will have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

"affiliate" has the meaning ascribed thereto in the *Securities Act* (Ontario);

"AFFO" has the meaning ascribed thereto under "Non-IFRS Measures";

"AFFO Payout Ratio" has the meaning ascribed thereto under "Non-IFRS Measures";

"AFFO Per Unit" has the meaning ascribed thereto under "Non-IFRS Measures";

"Annual Financial Statements" has the meaning ascribed thereto under "Documents Incorporated by Reference";

"Annual Information Form" has the meaning ascribed thereto under "Documents Incorporated by Reference";

"Annual MD&A" has the meaning ascribed thereto under "Documents Incorporated by Reference";

"Bailey/Hughes Holders" has the meaning ascribed thereto on the cover page of this Prospectus;

"BSR" has the meaning ascribed thereto on the cover page of this Prospectus;

"Class B Units" has the meaning ascribed thereto on the cover page of this Prospectus;

"COVID-19" has the meaning ascribed thereto under "Cautionary Note Regarding Forward-Looking Statements";

"Debentures" means the US\$40,000,000 aggregate principal amount of 5.00% convertible unsecured subordinated debentures of the REIT issued on September 3, 2020;

"Debt to Gross Book Value Ratio" has the meaning ascribed thereto under "Non-IFRS Measures";

"Debt Securities" has the meaning ascribed thereto on the cover page of this Prospectus;

"Declaration of Trust" has the meaning ascribed thereto on the cover page of this Prospectus;

"Deferred Units" means the deferred units of the REIT issued pursuant to the REIT's amended and restated omnibus equity incentive plan dated March 10, 2020;

"Depository" has the meaning ascribed thereto under "Description of Securities – Debt Securities";

"FFO" has the meaning ascribed thereto under "Non-IFRS Measures";

"FFO Per Unit" has the meaning ascribed thereto under "Non-IFRS Measures";

“forward-looking statements” has the meaning ascribed thereto under “Cautionary Note Regarding Forward-Looking Statements”;

“Global Security” has the meaning ascribed thereto under “Description of Securities – Debt Securities”;

“Gross Book Value” has the meaning ascribed thereto under “Non-IFRS Measures”;

“IFRS” means International Financial Reporting Standards;

“Indenture Trustee” has the meaning ascribed thereto under “Description of Securities – Debt Securities”;

“Interim Financial Statements” has the meaning ascribed thereto under “Documents Incorporated by Reference”;

“Interim MD&A” has the meaning ascribed thereto under “Documents Incorporated by Reference”;

“Liquidity” has the meaning ascribed thereto under “Non-IFRS Measures”;

“NAV” has the meaning ascribed thereto under “Non-IFRS Measures”;

“NAV per Unit” has the meaning ascribed thereto under “Non-IFRS Measures”;

“NI 44-102” has the meaning ascribed thereto under “Plan of Distribution”;

“NOI” has the meaning ascribed thereto under “Non-IFRS Measures”;

“NOI Margin” has the meaning ascribed thereto under “Non-IFRS Measures”;

“Prospectus” means this short form prospectus of the REIT qualifying the distribution of the Securities;

“Prospectus Supplement” has the meaning ascribed thereto on the cover page of this Prospectus;

“REALPAC” has the meaning ascribed thereto under “Non-IFRS Measures”;

“REIT” has the meaning ascribed thereto on the cover page of this Prospectus;

“Rule 144A” has the meaning ascribed thereto under “Plan of Distribution”;

“Same Community” has the meaning ascribed thereto under “Non-IFRS Measures”;

“Securities” has the meaning ascribed thereto on the cover page of this Prospectus;

“Securities Act” has the meaning ascribed thereto under “Purchaser’s Contractual Rights”;

“Securities Commissions” means each securities commission or securities regulatory authority in the provinces and territories in which the REIT is a reporting issuer;

“SEDAR” means the system for electronic document analysis and retrieval;

“Subscription Receipts” has the meaning ascribed thereto on the cover page of this Prospectus;

“subsidiary” has the meaning ascribed thereto in Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions*;

“Trust Indenture” has the meaning ascribed thereto under “Description of Securities – Debt Securities”;

“Trustees” means the trustees of the REIT from time to time;

“TSX” has the meaning ascribed thereto on the cover page of this Prospectus;

“Unitholder” means a holder of Units;

“Units” means trust units of the REIT;

“U.S. Securities Act” has the meaning ascribed thereto on the cover page of this Prospectus; and

“Warrants” has the meaning ascribed thereto on the cover page of this Prospectus.

CERTIFICATE OF THE REIT

Dated: December 1, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

BSR REAL ESTATE INVESTMENT TRUST

(Signed) *John S. Bailey*
Chief Executive Officer

(Signed) *Susan Koehn*
Chief Financial Officer

On behalf of the Board of Trustees

(Signed) *Neil Labatte*
Trustee

(Signed) *Graham Senst*
Trustee

CERTIFICATE OF BSR TRUST, LLC

Dated: December 1, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

BSR TRUST, LLC

(Signed) *"John S. Bailey"*
Chief Executive Officer

(Signed) *"Susan Koehn"*
Chief Financial Officer

On behalf of the Board of Directors

(Signed) *"Daniel Oberste"*
Director

(Signed) *"Blake Brazeal"*
Director