



BSR REAL ESTATE INVESTMENT TRUST

May 2024



Lakeway Castle Hills
Dallas, TX



Ariza Plum Creek
Austin TX



Headquarters
Little Rock, AR



Palermo by the Park
Dallas, TX



Satori at Long Meadow
Houston, TX



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Non-IFRS Measures and Real Estate Industry Metrics

In this presentation, the REIT uses certain non-IFRS financial measures, including "FFO", "AFFO", and "NOI", and certain real estate industry metrics, including "AFFO Payout Ratio", "Annual Cash Distribution Yield", "Debt to Gross Book Value Ratio", and "Same Community", 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. For further details on these non-IFRS measures and real estate industry metrics, including relevant definitions and reconciliations, see the sections titled "Non-IFRS Measures" in the REIT's most recently filed management's discussion and analysis.



Daniel Oberste

President and Chief Executive Officer

- Promoted to CEO January 2022
 - Served as the REIT's President and Chief Investment Officer prior to promotion
 - With BSR and predecessor company since 2009
-



Susan Rosenbaum

Chief Operating Officer and Interim Chief Financial Officer

- With BSR since 2014
- Served as CFO until January 2023, then assumed the role of COO
- Became interim CFO in November 2023
- From 2005 to 2013, served as Senior Director of Financial Reporting at Education Realty Trust, Inc., a NYSE-listed collegiate housing REIT
- Held various positions in the audit practice at PwC from 1997 to 2005



Ariza Plum Creek
Austin, TX

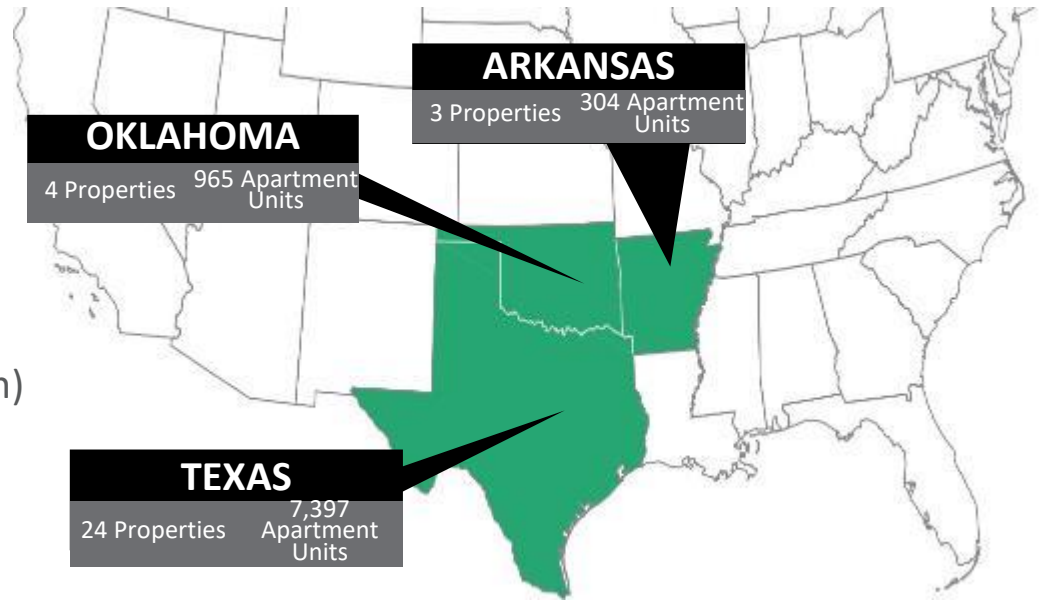


REIT Overview



BSR REIT At A Glance

- Internally managed portfolio of 31 garden-style, multi-family communities totalling 8,666 units
- Located in five suburban primary and secondary markets in three bordering U.S. sunbelt states
- Primarily focused on the major “Texas Triangle” markets (Dallas, Austin & Houston)
- Population and employment growth in the REIT’s markets is expected to outpace the U.S. national average and gateway markets
- REIT portfolio well positioned for above average rent growth



	2023	2022
Same Community Revenue	\$159.6 million (+5.9% YoY)	\$150.6 million

	2023	2022
Same Community NOI	\$86.8 million (+7.8% YoY)	\$80.5 million

	2023	2022
FFO per Unit	\$0.93 (+8.1% YoY)	\$0.86

	2023	2022
AFFO per Unit	\$0.85 (+6.2% YoY)	\$0.80



BSR REIT's Garden-Style Assets

- Low density rental communities, located primarily in suburban areas of primary and secondary markets
- Primarily middle market, high-quality housing that typically experiences strong demand throughout all phases of the economic cycle
 - > Cater to a broad resident base
 - > Median income of new residents for leases signed in Q1 2024 is ~\$75,000
- Typically two or three stories, with 200-400 units
- Lower maintenance capex relative to urban construction
- Common areas and amenities include:
 - > Open lawns, landscaping and direct access to public parks
 - > Resort-style pools, barbecue grilling stations, dog parks and spas, cinemas, game rooms, flex office space and conference rooms



Auberry at Twin Creeks - Allen, TX



Volterra at Westlake - Houston, TX



Brandon Place - Oklahoma City, OK

Resort style amenities

1. Fully aligned internal management platform
2. Attractive garden-style and big house apartments in high-growth U.S. sunbelt markets
3. BSR has successfully repositioned to focus on attractive modern properties in primary markets with embedded growth opportunity
4. Stable cash distribution with a strong liquidity position and demonstrated NAV and AFFO growth



Ariza Plum Creek
Kyle, TX



Retreat at Wolf Ranch
Georgetown, TX



Cielo
Austin, TX



Lakes at Westview
Conroe, TX



Satori at Long Meadow
Richmond, TX



Brandon Place
Oklahoma City, OK



Fully Aligned Internal Management Platform



Fully Aligned Internal Management Platform with Significant Retained Interest

- Scalable internal platform with more than 200 employees across five markets
- Bailey/Hughes group owns significant carried interest in the REIT
- Senior team of four seasoned real estate professionals who have worked seamlessly together since prior to the REIT's formation
- Since 2008, members of the management team have transacted on more than \$3 billion of multifamily real estate





The M at Lakeline
Austin, TX

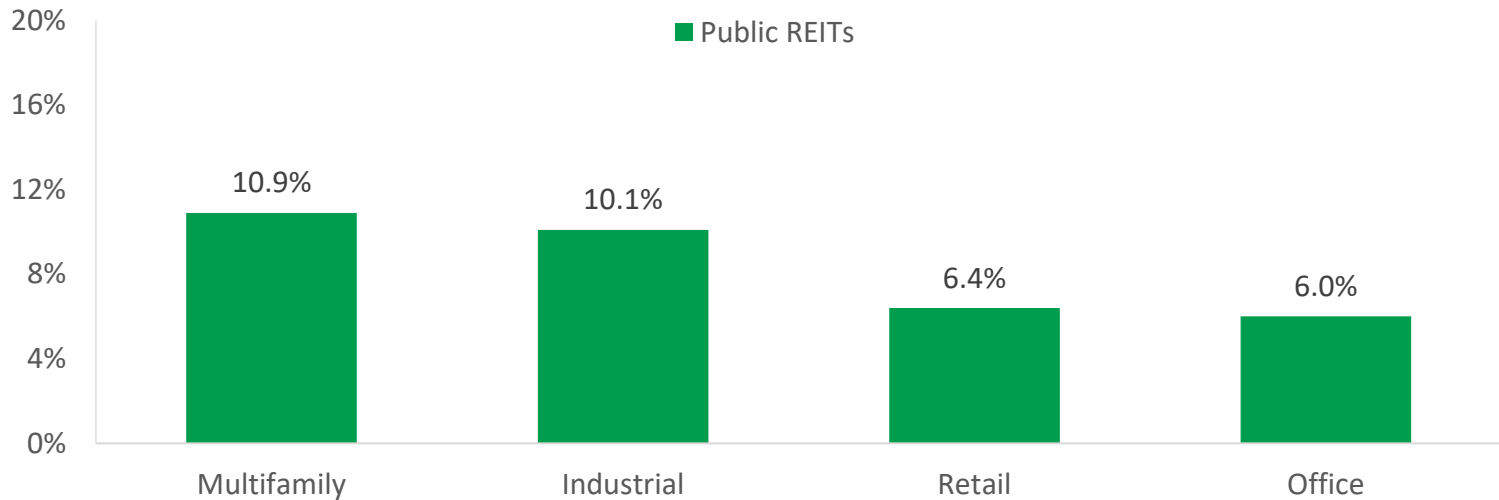


Attractive Garden-Style Apartments in High-Growth U.S. Sunbelt Markets



Top Performing Sector

20-Year Annualized Returns by Real Estate Sector (2003 – 2023)



Source: S&P Global

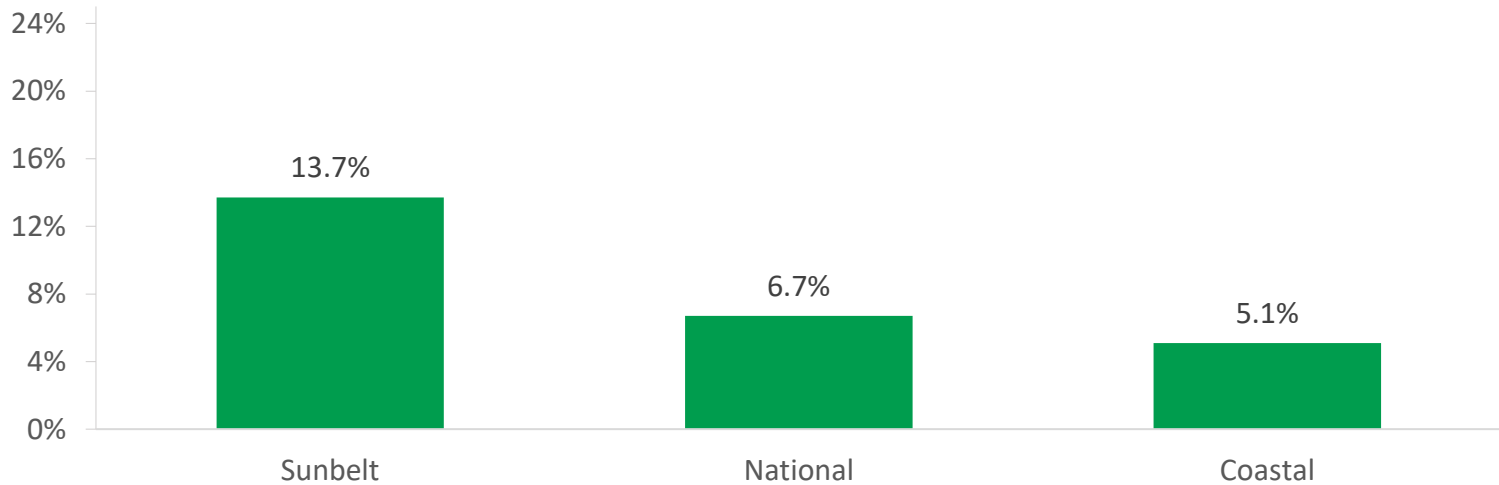
Note: REIT performance indicates total return and assumes the reinvestment of dividends

Multifamily shorter lease duration provides a hedge against inflation



Top Performing Sub-Sector

Compound annual total return for multifamily apartment REITS, 2015-2023



Source: Bloomberg

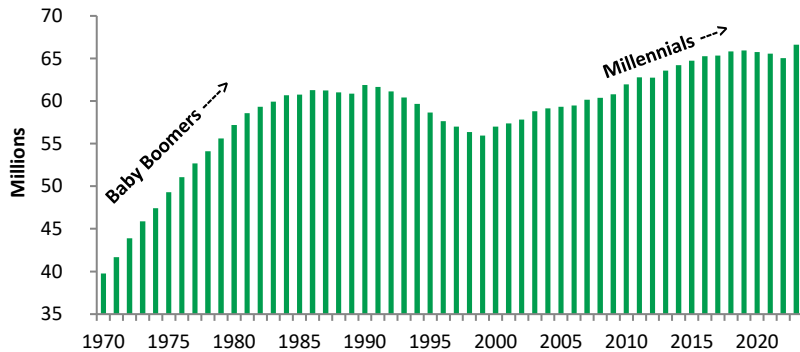
Sunbelt includes: BRT Apartment Corp., Camden Property Trust, Independence Realty Trust, MAA, Inc., and NexPoint Residential Trust

National Includes: UDR, Inc.

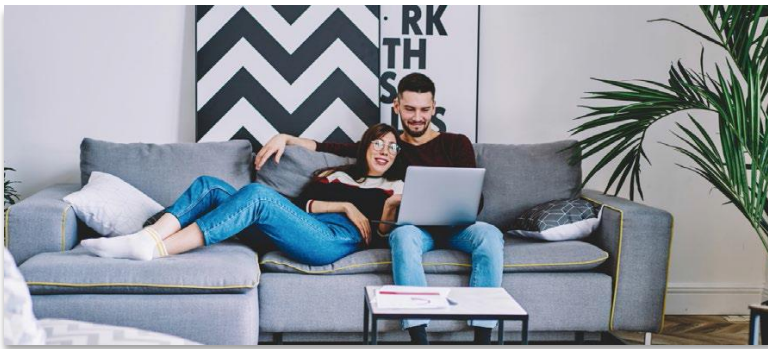
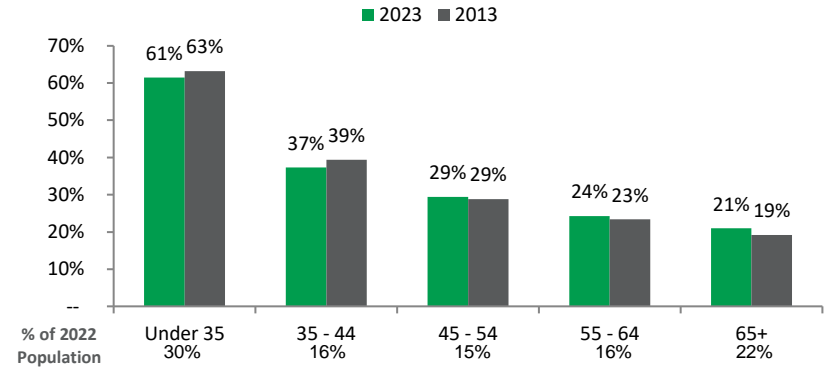
Coastal Includes: AvalonBay Communities, Essex Property Trust and Equity Residential REIT

Total returns on sunbelt REITS have significantly outperformed peers, highlighting the strong fundamentals of sunbelt markets

United States Population (Ages 20 – 34)⁽¹⁾



Propensity to Rent⁽¹⁾



71.9 MILLION MILLENNIALS IN UNITED STATES

Currently comprise ~22% of the population

2.8 MILLION MILLENNIALS IN BSR'S CORE TEXAS MARKETS

Currently comprise ~25% of the population

BSR's resident base is ~50% millennials

Large Millennial age cohort have shown a greater propensity to rent, driven by economic factors and a desire for a more flexible lifestyle

1. United States Census Bureau



Alleia Long Meadow Farms
Houston, Texas

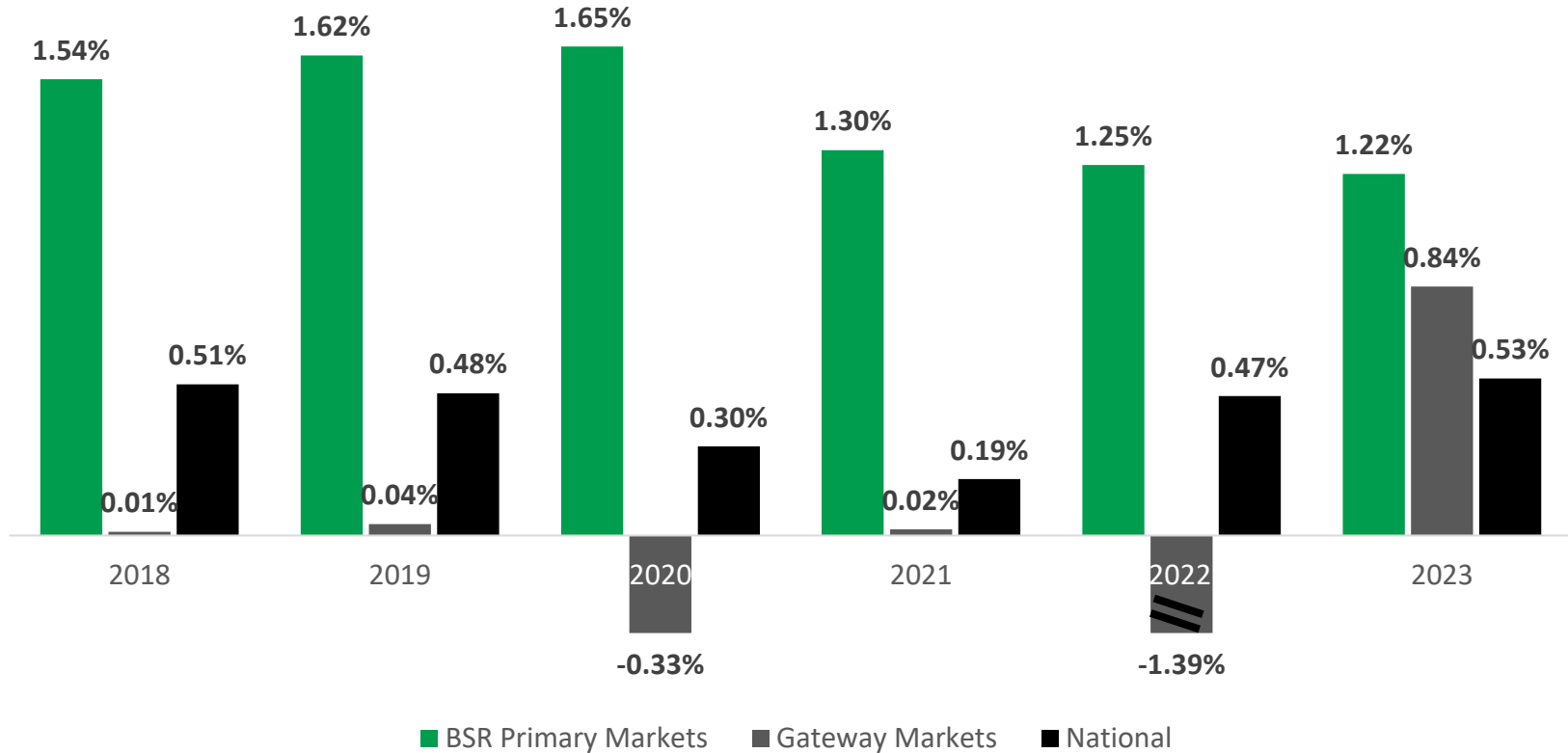


Repositioned to Focus on Attractive Modern Properties in Primary Markets with Embedded Growth Opportunity



Exposure to Highest-Growth U.S. Markets

Population Growth



Population growth in BSR's primary markets consistently outperforms gateway markets and the national average, supported by high levels of migration

Source: CoStar market reports and U.S. census data. The figures represent averages for all the relevant markets. The BSR Primary Markets are Austin, Dallas-Fort Worth, Houston and Oklahoma City. The Gateway Markets are Boston, Chicago, Los Angeles, New York, San Francisco and Washington, DC



Exposure to Highest-Growth U.S. Markets

Population Growth Projections

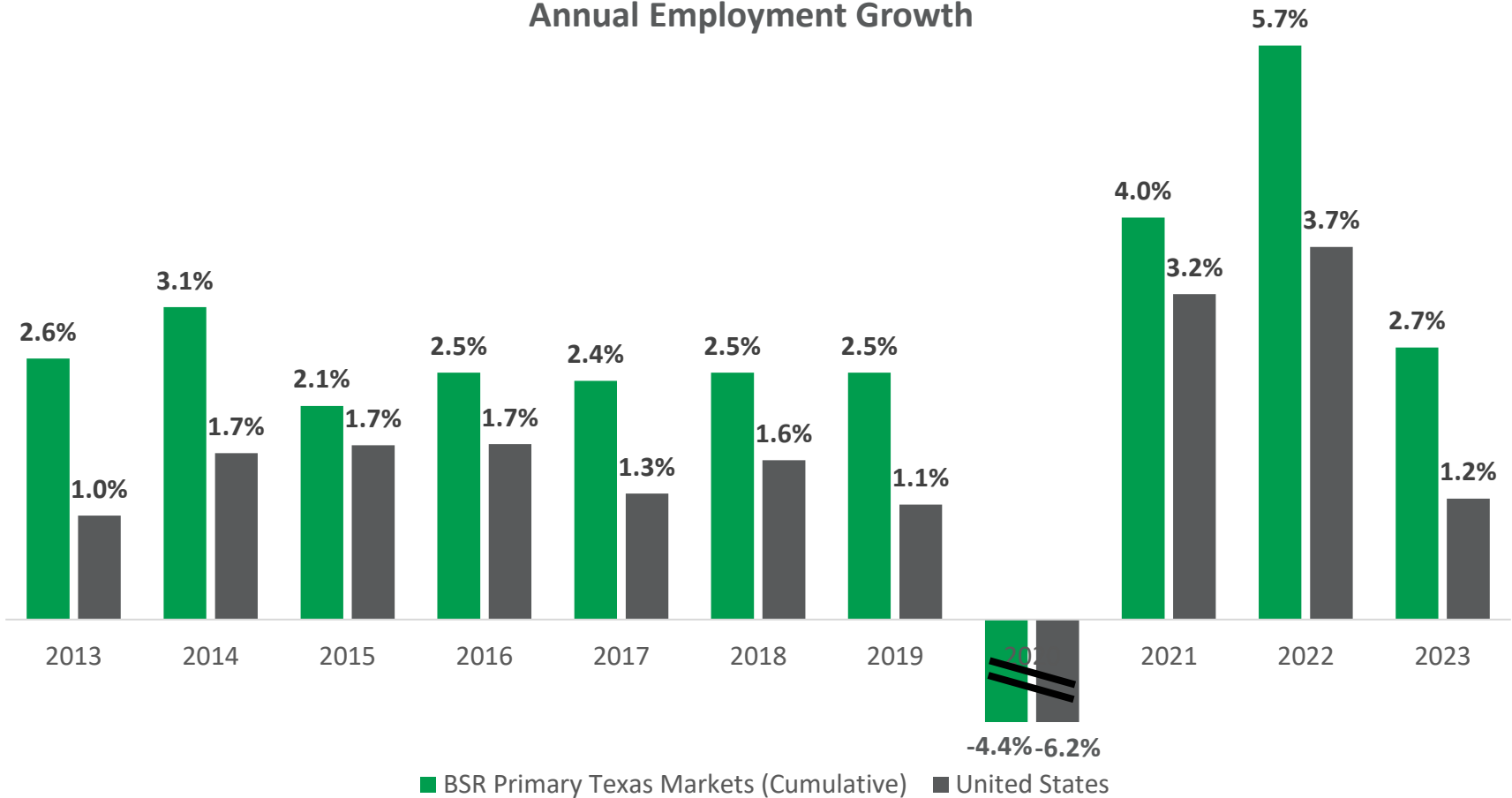
Rank	MSA	Total Projected Population Growth 2023-2028	Average Annual Population Growth	Five Year Forward Population CAGR
1	Austin	227,264	45,453	1.78%
2	Charlotte	129,917	25,983	1.78%
3	Orlando	223,321	44,664	1.54%
4	Salt Lake City	96,693	19,339	1.46%
5	Palm Beach	106,052	21,210	1.34%
6	Dallas / Fort Worth	474,950	94,990	1.33%
7	Houston	413,307	82,661	1.31%
8	Jacksonville	112,128	22,426	1.29%
9	Seattle	205,028	41,006	1.27%
10	Raleigh-Durham	113,648	22,730	1.26%

Focused on U.S. sunbelt markets with strong outlooks for rent growth



Exposure to Highest-Growth U.S. Markets

Annual Employment Growth



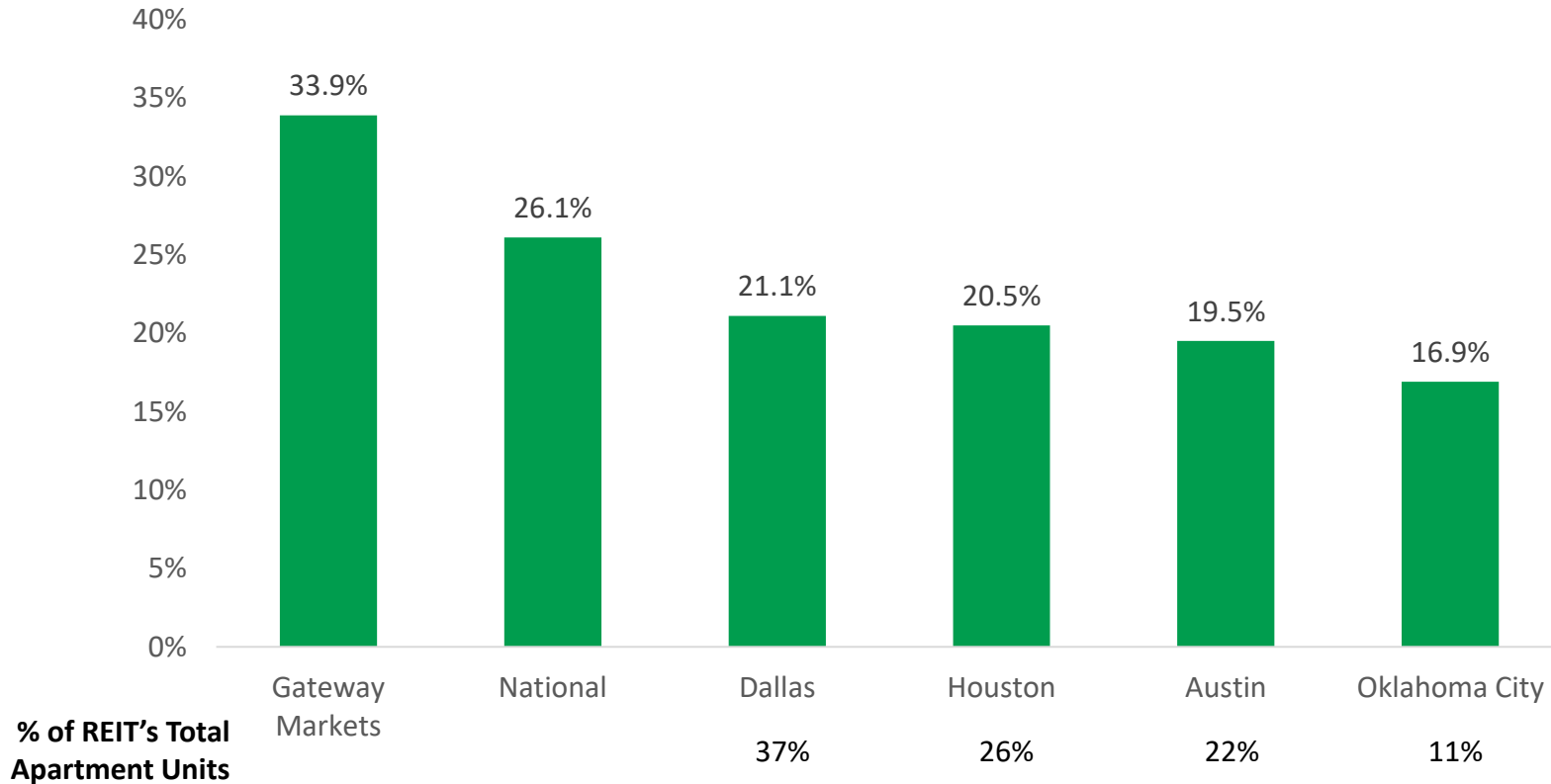
Employment growth in BSR's primary Texas markets has consistently exceeded the national average by a wide margin

Source: U.S. Bureau of Labor Statistics



Growth Drivers in the REIT's Primary Markets

Annual Rent as a Percentage of Median Household Income⁽¹⁾



Rent as a percentage of household income below national average combined with low vacancy rates provides opportunities for increased rental rates across the portfolio

1. Sources: CoStar, SNL

Aura Benbrook Benbrook, Texas



Number of units: 301
Average Rent / Unit⁽¹⁾: \$1,583
Occupancy⁽²⁾: 95%

Amenities: Resort-style swimming pool, corridor attached garages, fitness center, dog park, grilling station

Location: Located just off Interstate 20 and Interstate 820 in the Dallas/Fort Worth MSA, southwest of downtown Fort Worth.

Palermo by the Park Frisco, Texas



Number of units: 384
Average Rent / Unit⁽¹⁾: \$1,704
Occupancy⁽²⁾: 96%

Amenities: Saltwater pool, fitness center, jetted tubs, dog park, pet care center, reserved covered parking

Location: Located off the Dallas North Tollway and close to Lewisville Lake in the Dallas/Forth Worth MSA, north of downtown Dallas.

The M at Lakeline Cedar Park, Texas



Number of units: 374
Average Rent / Unit⁽¹⁾: \$1,721
Occupancy⁽²⁾: 97%

Amenities: Resort-style swimming pool with splash pad, 24-hour package access, private access to stocked fishing pond

Location: Located close to Interstate 35 and other major thoroughways in the Austin MSA, north of downtown Austin.

BSR's resident ORA™ rating score ranked second among U.S. public multifamily REITs for 2023

1. Monthly average rental rate as of March 31, 2024
 2. Physical occupancy as of March 31, 2024

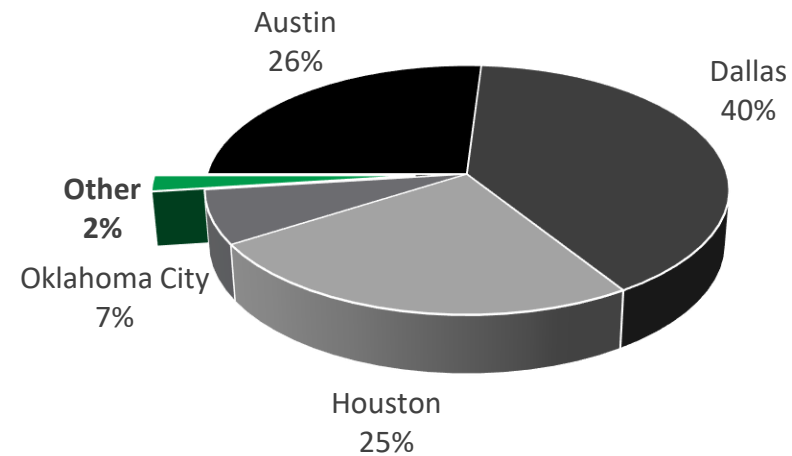
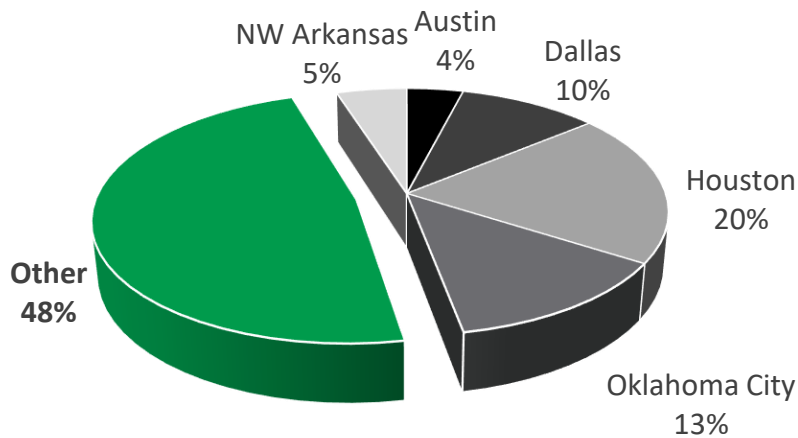


Increasing Exposure to Primary, High-Growth Markets

Portfolio NOI Breakdown by MSA

Q3 2018 (Post-IPO)

Q1 2024



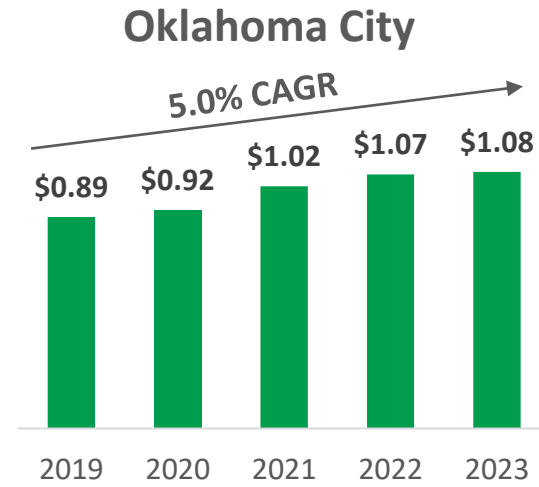
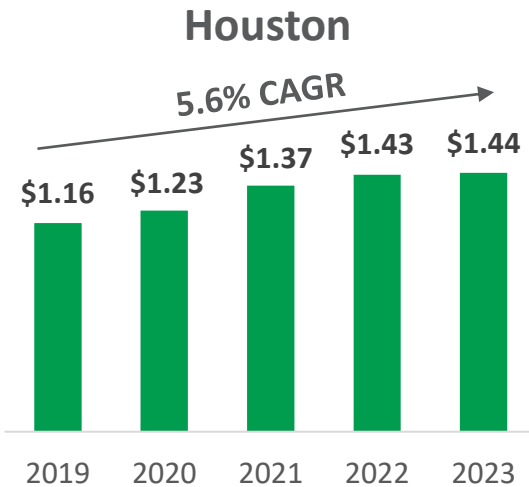
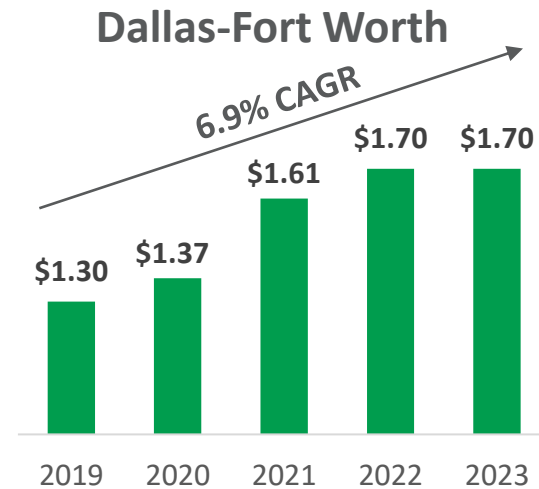
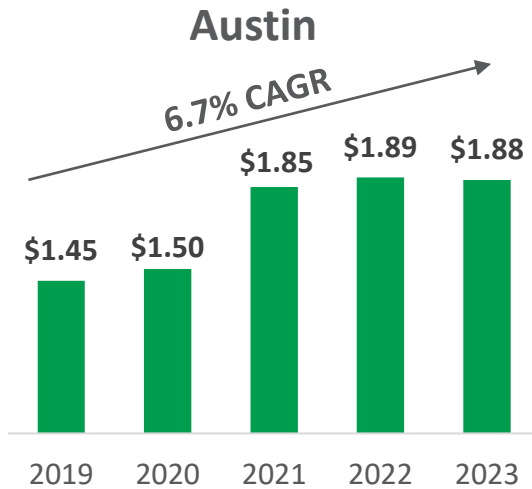
52% Primary Markets

97% Primary Markets

Portfolio has been rapidly upgraded since IPO through capital recycling program



Market Rent Per Square Foot in BSR's Primary Markets



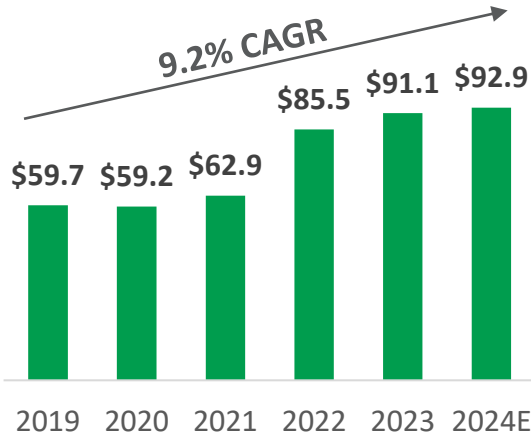
Long-term rental growth in BSR's sunbelt markets

Source: CoStar market reports. Statistics provided are for Class B properties in all markets but Oklahoma City. Statistics provided for Oklahoma City are for 3-star properties.

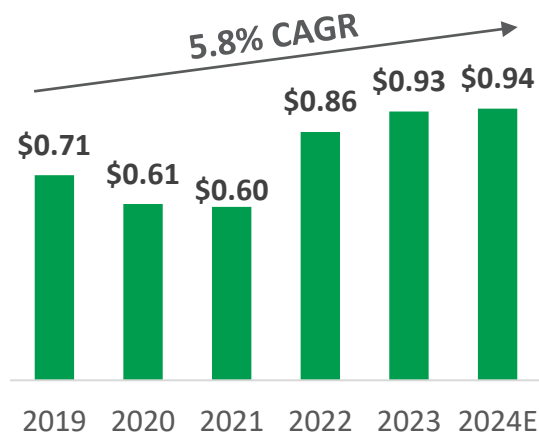


Historical Financial Metrics

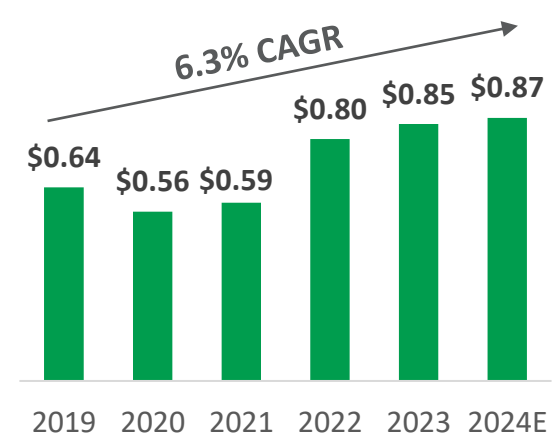
NOI (\$millions)¹



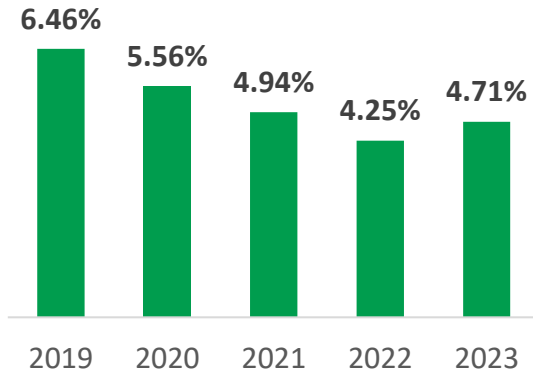
FFO per Unit¹



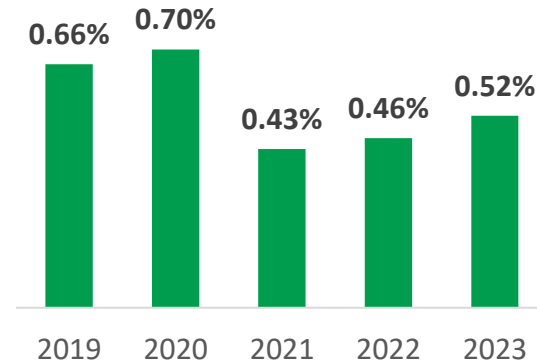
AFFO per Unit¹



Maintenance Capex (as a % of NOI)



G&A Expenses (as a % of total assets)



Proven track record of cash flow growth and expense control

1. The 2024 estimates for NOI, FFO per Unit and AFFO per Unit provided above represent the respective midpoints of the earnings guidance provided on May 8, 2024. The NOI estimate represents 2% growth compared to 2023.



Acquisition Strategy

- Prioritize off-market or limited bidding situations
- Focus on primary markets with strong forecasted rent growth
- Clustering strategy to reach scale of at least 1,200 units per MSA
- Maintain strong liquidity position to support external growth and distributions

Acquisition Criteria

- Garden-style and big house assets targeting middle income residents
- Suburban areas of our targeted primary markets, which include diversified employment bases, lower than average unemployment rates and higher renter migration
- Middle market properties recently constructed or refurbished

Continued execution of proven acquisition strategy with near term focus within our existing markets



Transformation of Portfolio Since IPO

- 22 properties
- Total purchase price: ~\$1.3 billion
- Added 6,966 units to portfolio
- Attractive *primary markets*
- *Accretive* to AFFO per Unit
- Weighted average age of *six years*
 - Compares to weighted average age of 31 years for the 39 properties sold since IPO



Lakeway Castle Hills - Lewisville, TX



Cielo - Austin, TX



Volterra at Westlake
Houston, Texas



**Stable Cash Distribution with a Strong
Liquidity Position and Demonstrated NAV
and AFFO Growth**



2023 Financial Review

(000s, except for percentages and per-unit amounts)	2023	2022	Change
Total Revenue	\$167,803	\$158,518	5.9%
Same Community Revenue	\$159,557	\$150,611	5.9%
NOI	\$91,066	\$85,516	6.5%
Same Community NOI	\$86,788	\$80,526	7.8%
Same Community NOI Margin	54.4%	53.5%	90 bps
FFO	\$52,639	\$48,068	9.5%
FFO per Unit	\$0.93	\$0.86	\$0.07
AFFO	\$48,415	\$44,713	8.3%
AFFO per Unit	\$0.85	\$0.80	\$0.05
AFFO Payout Ratio	60.7%	65.2%	(450 bps)
Weighted Average Unit Count	56,781,907	56,192,126	589,781

Continued strong performance reflecting positive fundamentals of core Texas markets



Q1 2024 Financial Review

(000s, except for percentages and per-unit amounts)	Q1 2024	Q1 2023	Change
Same Community Revenue	\$41,983	\$41,585	1.0%
Same Community NOI	\$23,839	\$22,838	4.4%
Same Community NOI Margin	56.8%	54.9%	190 bps
FFO	\$13,617	\$13,019	4.6%
FFO per Unit	\$0.25	\$0.23	\$0.02
AFFO	\$12,888	\$12,507	3.0%
AFFO per Unit	\$0.24	\$0.22	0.02
AFFO Payout Ratio	53.9%	59.1%	(520 bps)
Weighted Average Unit Count	53,856,476	57,212,200	(3,355,724)

Continued growth in key financial metrics despite temporary impact of expanded apartment supply



Stable Cash Distribution with a Strong Liquidity Position

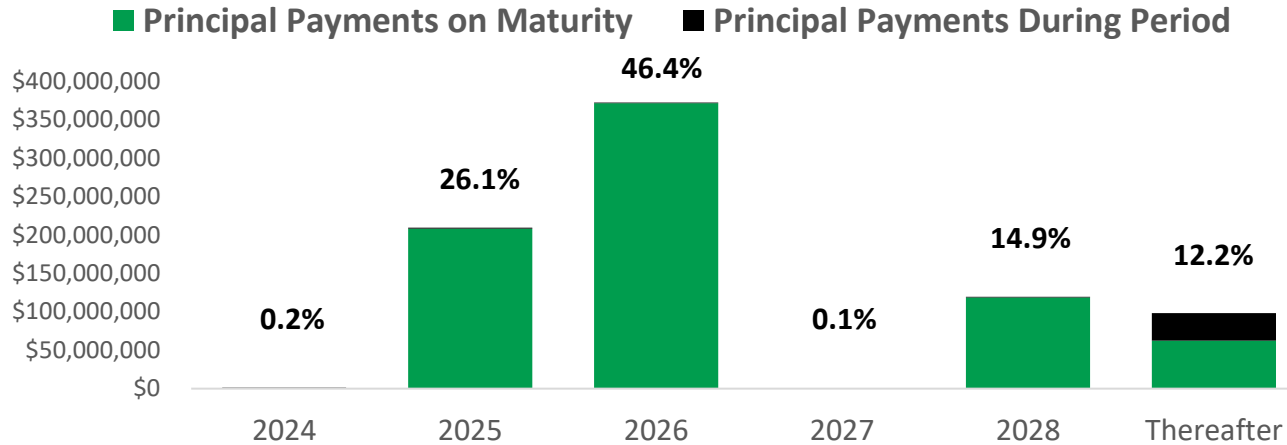
- Debt to Gross Book Value Ratio: 46.5% as at March 31, 2024 (44.3% excluding convertible debentures)
- Conservative AFFO payout ratio of 53.9% in Q1 2024
- Weighted average mortgage term to maturity of 4.1 years with weighted average contractual interest rate of 3.5%
- As of March 31, 2024, 100% of debt was fixed or hedged to fixed rates (excluding construction loan for a property under development)
- As of March 31, 2024, the REIT had liquidity of \$107.4 million
- Additional liquidity available by adding properties to the borrowing base of the revolving credit facility

**BSR REIT positioned for stable and growing cash distributions
while maintaining strong liquidity position**



Debt Maturities

Debt Repayment Schedule (as at March 31, 2024)



100% of debt is fixed or fully hedged

Expanded maturity timetable provides financial flexibility



Positive Outlook

- Very positive long-term economic outlook for the REIT's markets
 - New apartment deliveries expected to peak in 2024 as pace of new developments has slowed
- Solid financial guidance for 2024, despite more challenging near-term environment of elevated interest rates and rising supply:
 - Same community revenue growth of 0% to 3%
 - Same community NOI growth of 1% to 3%
 - Growth in property operating expenses and real estate taxes of 0% to 2%
 - FFO per Unit of \$0.91 to \$0.97 (vs. \$0.93 in 2023 and \$0.86 in 2022; midpoint of \$0.94)
 - AFFO per Unit of \$0.84 to \$0.90 (vs. \$0.85 in 2023 and \$0.80 in 2022; midpoint of \$0.87)
- Pursue attractive growth opportunities
- Maintain financial flexibility



Wimberly - North Dallas, TX



Satori at Long Meadow - Richmond, TX



Ariza Plum Creek - Kyle, TX



Environmental:

- Third-party biller provides vacant apartment unit charge backs, energy consumption variance reporting, pre-acquisition energy audits and detection of water leaks
- LED lights and Energy-Star approved appliances
- Low-flow toilets and high efficiency fixtures to reduce water consumption when performing renovations

Social:

- Maintain voluntary turnover at approximately half of the industry average
- Non-discrimination policy
- Diversity policy
- Continue to be named one of the best places to work in the state of Arkansas
- Named one of the best places to work in multifamily for women in 2023

Governance:

- Code of business conduct and ethics
- Third-party anonymous whistleblower hotline
- Annual board survey to gauge completeness and effectiveness of corporate governance

Established commitment to the highest ESG standards



Investment Highlights

1. Fully aligned internal management platform
2. Attractive garden-style and big house apartments in high-growth U.S. sunbelt markets
3. BSR has successfully repositioned to focus on attractive modern properties in primary markets with embedded growth opportunity
4. Stable cash distribution with a strong liquidity position and demonstrated NAV and AFFO growth



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