

COVID-19 FLASH REPORT

April 15, 2020

COVID-19 has shifted Management's focus; however, the impact on the REIT has been limited to date due to the swift actions and protocols put in-place by management and due to CSL's relationship with student tenants and their guarantors

Pre-Leasing Velocity⁽¹⁾

- Students continue to lease beds for the 2020/21 school year at a faster pace than last year and at a higher price per bed per month
- Given the current environment, potential tenants are seeking safe, high-quality and secure beds with providers that can deal with these unforeseen circumstances
- 5 of 7 properties are at or near 100% occupancy for the 2020/21 school year

Property	Pre-Leased Sept 2020 Occupancy ⁽²⁾	Sept YoY Leasing Velocity Delta
Lester (Waterloo)	98.20%	13.60%
King I (Waterloo)	99.80%	0.20%
King II (Waterloo)	99.80%	0.20%
Main (Hamilton)	98.70%	1.40%
Laurier ⁽³⁾ (Ottawa)	100.00%	0.00%
Cooper (Ottawa)	42.30%	25.20%
Simcoe (Oshawa)	63.40%	1.40%
Total	86.80%	4.10%

- 87% pre-lease is well ahead of US peers
 - American Campus Communities, the largest owner/operator of student housing in the US, has pre-leased 72.5% of its beds as of the end of March 2020 for the fall semester
 - Scion Group at 79% and BlueVista at 62%
- Cooper and Simcoe are typically filled later in the lease cycle (June/July)
 - Over the past 4-weeks, Cooper and Simcoe secured 23 and 12 new leases, respectively, despite using predominately virtual tours and increased rental rates

Collections during COVID-19

- Still very early stage in determining COVID-19 impact
 - Only one-month of rent payments to consider (April 1st)
 - Only few weeks of discussions with student tenants
- The REIT's historical bad debt has been low at less than 0.5% of total revenue in 2019
- The REIT has been experiencing better than expected results
- The portfolio's April accounts receivables has increased by ~\$60k relative to the prior month (3% of Rental Revenues)
 - On-site teams are in constant communication with residents and guarantors regarding collections
 - Based on our conversations with each General Manager and by analyzing each individual tenant's payment history, Management believes the REIT will perform well when compared to its multi-family peers
- Management is regularly updating our receivables to monitor payments over the next few months
- We have not seen a shift in tenants' payment methods – ~70% of our tenants remain on pre-authorized payment plans, which provides Management with greater comfort for future collections
- Management expects physical occupancy throughout the portfolio to be greater this summer than prior years, as international tenants are not willing or able to move back to their home countries, which limits our collection risks for tenants that have graduated and are not returning to university next year
- Although Management does not foresee dramatically greater losses, the REIT is well capitalized with over \$50 million of cash-on-hand