

COVID-19 FLASH REPORT

May 27, 2020

The REIT targets 2nd to 4th year students, including international students that are already in Canada, which limits occupancy risk for the 2020/21 school year; if first-year enrollment decreases, it may impact 2021/22 school year operations; however, Management will have 16-months to prepare and the re-balance in enrollment in 2021/22 will likely over-crowd on-campus housing, creating additional demand for off-campus PBSA

What if International Students Don't Come to Canada?

- Many international students did not return to their home countries due to travel restrictions, health and safety concerns, and concerns that they would not be able to return to Canada once in-person classes commence
 - As a result, physical occupancy during the summer months throughout all buildings have considerably increased relative to prior years (limiting occupancy and collection risks)
- The REIT specifically targets 2nd to 4th year students; therefore, the international students that the buildings target are already in Canada
 - Potential impact on 2021/22 school year operations due to decreased international enrollment for the 2020/21 school year
 - Management has 16-months to prepare and respond
 - The re-balance of enrollment in 2021/22 is expected to over-crowd on-campus facilities, creating more demand for off-campus PBSA
- International students comprise only 25% of the REIT's tenant base
- The REIT is increasing its marketing initiatives to capture a greater share of domestic and graduate students
 - New social media and marketing campaigns on-going to explain the benefits of living in a purpose-built student accommodation, even in a virtual learning environment
- Management is leveraging its relationship with local universities to attract first-year students who traditionally would have lived in dorms
 - Dormitory-style residences expected to be severely impacted by the pandemic, while bed/bath parity configurations and property's that can facilitate social distancing will be in higher demand
- The government has extended the CERB to international students, which provides recipients with up to \$2,000 per month
- Recent survey indicates that 69% of students will look to stay in Canada to commence their studies as planned⁽¹⁾

Canadian University Updates on Fall 2020

- University of Toronto has provided an update on their plans, and major Canadian universities are expected to follow a similar approach:
 - **Health & Safety:** Developing guidelines based on the advice of public health authorities to determine the safe use of on-campus facilities like residences, gyms and lecture halls
 - **Academic Excellence:** Plans are being developed to mix smaller on-campus labs and lectures with larger online remote courses and lectures
 - Research initiatives will continue, with labs to be re-designed to abide by physical distancing requirements
 - **Meeting the Needs of the Community:** Focus is on supporting entire community – ensuring students complete their term, faculty support in developing course material, accommodating students unable to return home, and conducting COVID-19 research
- Several universities have announced their intentions of implementing a hybrid model in September, which includes smaller in-person lectures and larger virtual courses
 - Major universities going forward with this plan include the University of Western Ontario, [Ontario Tech](#), [University of Waterloo](#), University of British Columbia and McGill University
- The [University of Ottawa](#) and [Wilfrid Laurier University](#) are preparing for distance-learning for Fall courses and hopes to offer in-person courses, while adhering to public health authorities
- The University of Regina and [McMaster University](#) have announced fully online learning in the Fall
- St. Francis Xavier University has announced that all classes will begin in-person, with further contingencies in-place if necessary