



REAL ESTATE DEVELOPMENT TRUST (No. 1)

TAMPA AND ORLANDO MSA's, FLORIDA

SPONSORED BY: **HR**
REIT



LANTOWER BAYSIDE RENDERING
Tampa, FL

This presentation is dated February 19, 2024. A preliminary prospectus dated February 19, 2024 (the "preliminary prospectus") containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada. A copy of the preliminary prospectus, and any amendment, is required to be delivered with this document. The preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

DISCLAIMER

Prospective investors should rely only on information contained in the preliminary prospectus. This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in the preliminary prospectus. Neither Lantower Residential Real Estate Development Trust (No. 1) (the "REDT"), nor CIBC World Markets Inc., as agent for the offering (the "Agent"), has authorized anyone to provide prospective purchasers with different or additional information from the information contained in the preliminary prospectus.

The information contained on www.HR-REIT.com, www.lantower.com and www.lantowerredt.com is not intended to be included in this presentation, and prospective investors should not rely on such information when deciding whether or not to invest in the securities. Any graphs, tables or other information demonstrating the historical performance of certain real estate markets, regional economies and related metrics contained in this presentation are intended only to illustrate past performance of such real estate markets, regional economies and related metrics and are not necessarily indicative of future results or metrics. The REDT and the Agent take no responsibility for, and provide no assurance as to the reliability of, any other information that others may provide to you.

Capitalized terms used herein that are not otherwise defined have the meanings ascribed to such terms in the preliminary prospectus.

No securities regulatory authority has expressed an opinion about the securities described herein and it is an offence to claim otherwise. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or distribution of these securities in any jurisdiction in which such offer, solicitation, sale or distribution would be unlawful. The 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 any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (within the meaning of Regulation S under the U.S. Securities Act) except pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws. There is currently no market through which the Units may be sold, the REDT has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on any marketplace within or outside Canada and the U.S. and purchasers may not be able to resell the Units purchased under the prospectus. This may affect the pricing of the Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Units, and the extent of issuer regulation. See "Risk Factors".

The following is a summary of the principal features of the planned offering and should be read together with the more detailed information and financial data and statements contained in the preliminary prospectus. Prospective investors should not assume that the information contained in this presentation is accurate as of any date other than the date of this presentation, or where information is stated to be as of a date other than the date of this presentation, such other applicable date. Unless otherwise indicated or the context otherwise requires, all references in this presentation to the "REDT", "Fund", "we", "our", "us" or similar terms refer to Lantower Residential Real Estate Development Trust (No. 1), together with its subsidiaries. An investment in the securities described in this presentation is subject to a number of risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described under "Risk Factors" and "Forward-Looking Statements" included in the preliminary prospectus before purchasing securities described hereunder.

There will be no closing unless the Minimum Offering is achieved, being a minimum of US\$42,000,000 of Class A Units, Class E Units, Class F Units, Class I Units (if any) and/or Class U Units being sold pursuant to the Offering and any concurrent private placement.

Commencing on the earlier of Stabilization and the date on which the Trustees determine that it is in the best interests of the Unitholders, and until a Liquidity Event has been achieved, the REDT intends to declare and pay to Unitholders quarterly cash distributions out of the available operating cash flow of the REDT (to the extent declared by the Trustees and otherwise available); however, such cash distributions may not occur or, if any such cash distributions do occur, may be reduced, including to zero, or suspended, as the ability of the REDT to make such cash distributions and the actual amount distributed will depend on the development and operation of the Projects, the expenses and requirements of the REDT and its Subsidiaries, and the timing of a Liquidity Event, and will be subject to various other factors, including those referenced in the "Risk Factors" section of the preliminary prospectus.

The aggregate Minimum Return, after payment of all expenses of the Projects, the REDT and its Subsidiaries, (i) is based on an 8% per annum compounded return on the Gross Subscription Proceeds received by the REDT from the issuance of each Unit, (ii) is calculated in the currency of issuance of each such Unit, and (iii) is a preferred return, payable prior to payment of any amounts pursuant to the Carried Interest and Asset Management Fee, but (iv) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, and may not be paid upon the occurrence of a Liquidity Event or at all. The aggregate Secondary Minimum Return, after payment of all expenses of the Projects, the REDT and its Subsidiaries (including the Asset Management Fee and a portion of the Carried Interest), (i) is based on a 15% per annum compounded return on the Gross Subscription Proceeds received by the REDT from the issuance of each Unit, (ii) is calculated in the currency of issuance of each such Unit, and (iii) is a preferred return, payable prior to payment of the increased percentage of distributions payable pursuant to the Carried Interest, but (iv) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, and may not be paid upon the occurrence of a Liquidity Event or at all. See "Forward-Looking Statements" and "Risk Factors" in the preliminary prospectus.

DISCLAIMER

FORWARD-LOOKING INFORMATION

This presentation as well as oral statements made during the course of the oral presentation may contain “forward-looking information” within the meaning of applicable securities laws. Such forward-looking information includes statements with respect to the REDT, its business and strategy, and information that may relate to the REDT’s future outlook and anticipated events, including future results, performance, achievements, prospects or opportunities for the REDT or the real estate industry and the offering, and statements regarding the financial position, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of, or involving, the REDT. The words “anticipate”, “believes”, “expect”, “estimate”, “intend”, “opportunity”, “potential”, “seek”, “strategy”, or “target” or variations of such words and phrases or statements that certain future conditions, actions, events or results “will”, “may”, “could”, “would”, “should”, “might” or “can”, or negative versions thereof, “be taken”, “occur”, “continue” or “be achieved”, and other similar expressions, including references to assumptions, identify forward-looking information, although not all forward-looking information contains these terms and phrases.

Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, risks related to: real property ownership and revenues; construction and development risk; obtaining necessary development permits for the Projects; the realization of property value appreciation and timing thereof; the inventory of residential rental properties; competition from developers of residential rental properties; the Tampa and Orlando real estate markets; government legal and regulatory changes; property encumbrances relating to the Projects; significant fixed expenditures and fees in connection with the maintenance, operation and administration of the Projects; closing and other transaction costs in connection with the acquisition and disposition of the Projects; the availability of mortgage financing and current interest rates; revenue shortfalls; assumptions about rental growth rates in the U.S. residential rental real estate market, demographic trends and the markets in which the REDT intends to operate; fluctuations in interest rates; litigation risks; the relative illiquidity of real property investments; the U.S. economic environment; the geographic concentration of the REDT’s business; natural disasters and severe weather; demand levels for residential rental properties in Tampa and Orlando, respectively, and local economic conditions; negative geopolitical events; public health crises; the capital structure of the REDT; distributions; capital depletion; foreign currency exchange rates and assumptions related thereto; potential conflicts of interest; reliance on the good faith and ability of the Manager to manage and operate the Projects; reliance on other third-party property management companies; the limited operating history of the REDT; the limited experience of management of the REDT with respect to managing a reporting issuer; the limited liquidity of the Units; and tax laws. Forward-looking information is based on management’s beliefs and assumptions and on information currently available to management. Although the forward-looking information contained in this presentation is based upon what we believe are reasonable assumptions, you are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Consequently, all of the forward-looking information contained in this presentation is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this presentation is provided as of the date of this presentation, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future non-IFRS events or otherwise, except as may be required by applicable law.

MARKET AND INDUSTRY DATA

Market and industry data and forecasts contained in this presentation have been obtained from third-party sources, industry publications and reports, websites and other publicly available information. We believe that the market and economic data presented throughout this presentation is accurate but we cannot offer any assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this presentation are not guaranteed and we make no representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third-party sources referred to in this presentation, or analyzed or verified the underlying market, economic and other assumptions relied upon by such sources.

FINANCIAL INFORMATION

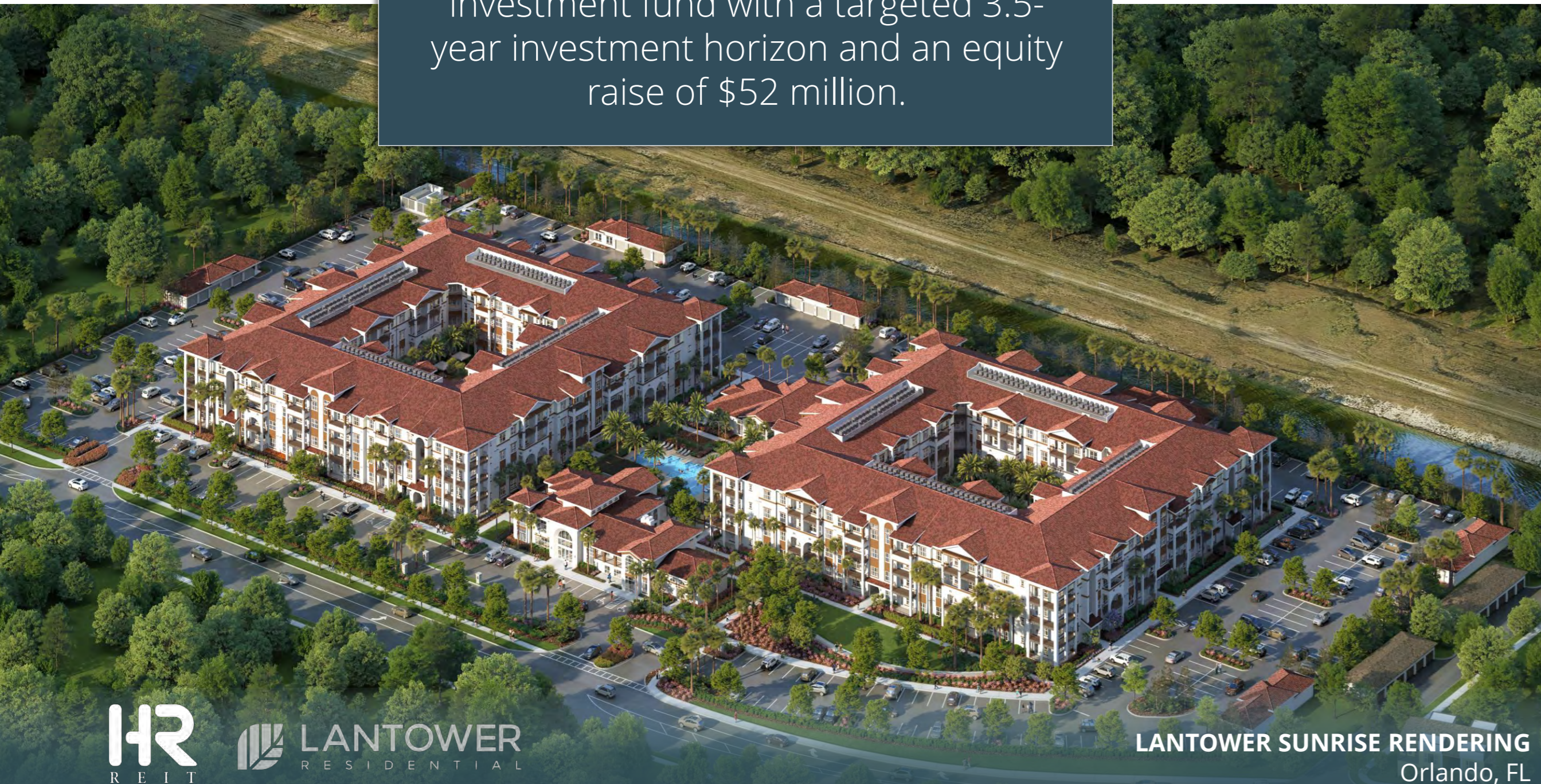
Financial information contained in this presentation is in the course of being audited. As a result, such information is subject to change, and any such change could be material. We publish our consolidated financial statements in U.S. dollars. In this presentation, unless otherwise specified, all monetary amounts are in U.S. dollars, all references to “C\$” mean Canadian dollars and all references to “\$” and “US\$” mean U.S. dollars.

OPPORTUNITY OVERVIEW



LANTOWER BAYSIDE RENDERING
Tampa, FL

Lantower Residential Real Estate Development Trust (No. 1) is a newly-created, limited-purpose, real estate investment fund with a targeted 3.5-year investment horizon and an equity raise of \$52 million.



LANTOWER SUNRISE RENDERING
Orlando, FL

LANTOWER RESIDENTIAL REAL ESTATE DEVELOPMENT TRUST (No. 1) (“Lantower REDT” or the “REDT”)

Lantower REDT allows investors the opportunity to invest alongside H&R Real Estate Investment Trust (“H&R REIT”) and Lantower Residential (the “Current Owner”) in the development of **two** multifamily residential rental apartment projects containing an aggregate of 601 rental units (the “Projects”).

The **Bayside development property** (“Bayside”) is located in Pinellas County in the Tampa – St. Petersburg – Clearwater Metropolitan Statistical Area, one of Florida’s most densely populated counties. The Bayside Property is strategically situated adjacent to U.S. Highway 19, providing access to the Westshore, Gateway and Bayside employment markets, 16 distinct beaches, a number of which are ranked among the top ten beaches in the U.S.

The **Sunrise development property** (“Sunrise”) is located in Orlando’s I-4 Tourism Corridor, one of the highest growth Orlando submarkets. The Property is strategically situated within a 10-minute drive of the Interstate 4 and Disney World, and has convenient access to other major Orlando employment centers.

Both Projects are **zoning compliant and entitled**, with **advanced GMP budgets**. The REDT is targeting a compounded annual return of approximately **18% - 20%¹** paid upon the achievement of a Liquidity Event. With a targeted Term of **3.5 years²**, this equates to an expected total pre-tax gross return of approximately **80%¹**.

The Offering will be qualified by a prospectus and can be held in an investment account and is **registered plan eligible** (RRSP, RRIF, TFSA, FHSA, RDSP or RESP).

The Current Owner has invested over \$21 million to date, and the Offering will provide up to an additional \$52 million to the Projects, if the maximum offering is attained. There is significant **alignment of interests** with the Projects’ Current Owner through a Carried Interest structure with a return of 8% to investors payable prior to any Carried Interest, and the REDT is acquiring its interest in the Projects at the Current Owner’s **cost basis**, which represents a **discount of 25.8%** to its appraised value plus soft costs spent to date.

(1) Before fees and satisfaction of Carried Interest.

(2) Subject to two, discretionary one one-year extensions

FUND INVESTMENT AND RETURN OBJECTIVES



INVESTMENT OBJECTIVES:

- (a) Provide Unitholders with an opportunity to indirectly own an interest in each of the Bayside Project and Sunrise Project currently wholly-owned by a subsidiary of H&R REIT and located in Largo, Florida (Tampa) and Kissimmee, Florida (Orlando), respectively;
- (b) Build, lease and operate the Projects; and
- (c) Achieve a Liquidity Event by the end of the Term.



DISTRIBUTION OBJECTIVES:

- Target pre-tax investor gross compounded annualized returns of approximately **18-20%**, before fees and satisfaction of Carried Interest, following a Liquidity Event over an estimated 3.5-year term¹, equating to a total gross pre-tax return of approximately **80%**

INVESTMENT HIGHLIGHTS



EXPERIENCED AND ALIGNED MANAGEMENT AND SPONSORSHIP TEAM WITH STRONG TRACK RECORD

- Invest alongside a publicly-traded REIT and its Sun Belt multifamily subsidiary, Lantower Residential
- H&R REIT owns over 26.9 million square feet of properties and has over 5,000 residential rental units in its development pipeline



STRONG GOVERNANCE AND ALIGNMENT OF INTERESTS WITH THE CURRENT OWNER

- Unitholders have the opportunity to purchase an interest in the Projects at the Current Owner's cost basis of \$21.3 million including land costs and costs to date
 - This implies a 25.8% discount to the appraised land values of \$25.0 million plus soft costs of \$3.8 million totaling \$28.8 million
- The Current Owner will not be receiving any proceeds from the Offering
- Minimum Return of 8% to Unitholders before any Carried Interest or the Asset Management Fee is paid, resulting in a significant alignment of interests



ZONING COMPLIANT AND ENTITLED DEVELOPMENT PROJECTS WITH ADVANCED GMP, DEVELOPMENT BUDGETS ALLOWING FOR REDUCED RISK

- Both Projects are compatible with local zoning requirements and have initial permits for construction approved by the applicable county/municipality¹
- Advanced General Contractor Guaranteed Maximum Price ("GMP") budgets and fixed financing costs result in strong certainty of total development costs
- Current Owner has committed to provide the equity for cost overruns through Cost Overrun Units



INSTITUTIONAL MARKETS WITH STRONG LOCATION FUNDAMENTALS

- Recent major government infrastructure projects
- Lantower Bayside is well positioned within a 20 minute drive (or less, as applicable) from major employment centers and proximate to the beaches of Pinellas County in which it is located
- Lantower Sunrise is located within Orlando's high-growth Tourism Corridor, including Disney World, Universal Studios, Lockheed Martin, the Orange County Convention Center, and other major employers
- Tampa and Orlando have attracted the investment of major financial institutions such as Blackstone, Starwood Capital and Ares Management, and major REITs such as UDR Inc., Mid-America Apartment Communities, Inc. and Camden Property Trust



RENTAL MARKETS IN TAMPA AND ORLANDO POISED FOR GROWTH SUPPORTED BY ECONOMIC STABILITY AND PROPENSITY TO RENT

- Strong employment expected to yield strong rental demand
- Tampa and Orlando markets have experienced healthy multifamily performance metrics for over a decade

MANAGER OVERVIEW

EXPERIENCED AND ALIGNED MANAGEMENT AND SPONSORSHIP TEAM WITH STRONG TRACK RECORD



H&R REIT (TSX: HR.UN) is one of Canada's largest fully internalized real estate investment trusts with total assets of C\$10.8 **billion**. Since its inception, H&R REIT has executed a disciplined strategy of investing in accretive acquisitions and new developments of real estate assets. H&R invests in residential, industrial, office and retail properties and acquires properties both in Canada and the United States. H&R REIT has ownership interests in properties comprising over 26.9 million square feet.



Lantower Residential, a subsidiary of H&R REIT, is a vertically integrated multifamily real estate company based in Dallas, Texas, focused on acquiring, developing, financing, and managing multifamily communities in the U.S.

Lantower Residential owns 24 residential properties in select markets in the United States comprising 8,166 residential rental units. In addition to hosting all capacities internally (property management, operations, accounting, human resources, marketing, asset management, etc.), the in-house development team at Lantower has over 5,000 residential rental units in the pipeline at various stages of development and construction, with an estimated value of over US\$1.7 billion in the pipeline at various stages of development and construction. The development team manages the entire real estate development life cycle from land sourcing and the entitlement process to development and design with architects and engineers and ultimately through construction and general contractor management.

Notable projects include River Landing, West Love, and Midtown developments.

REPRESENTATIVE PROJECTS



LANTOWER RIVER LANDING
Miami, FL



LANTOWER WEST LOVE
Dallas, TX



LANTOWER MIDTOWN
Dallas, TX

KEY FUND PERSONNEL

EXPERIENCED AND ALIGNED MANAGEMENT AND SPONSORSHIP TEAM WITH STRONG TRACK RECORD



MICHAEL LOEB
Chief Executive Officer

- Lantower Residential's Executive Vice President of Corporate Development
- Involved in development and acquisitions across the Lantower portfolio
- Prior to Lantower worked as a real estate attorney in New York City
- Juris Doctor from Fordham University School of Law where he received the Milton Young Prize for Taxation.



CHERYL FRIED
Chief Financial Officer

- Joined H&R REIT in 2006 and currently Executive Vice President, Finance at H&R REIT
- Prior to H&R REIT was a manager at KPMG
- Bachelor of Arts at The City University of New York and holds a Chartered Accountant designation



HUNTER WEBB
Chief Development Officer

- Lantower's Executive Vice President of Development
- Oversees the ground-up development department
- Has overseen \$1.3 billion of acquisitions at Lantower
- Prior to Lantower worked in other finance and acquisitions roles of multifamily investments
- MBA from Northwestern University, Kellogg School of Management and member of the Urban Land Institute and the National Multifamily Housing Council

KEY DEVELOPMENT PROJECTS STATS

	LANTOWER BAYSIDE	LANTOWER SUNRISE
ADDRESS	16485 Hwy 19 N, Largo, FL	Sunrise City Dr., Kissimmee, FL
SITE AREA	8.4 Acres	17.2 Acres
# OF SUITES	271	330
AVG. UNIT SIZE	962 SF	1,037 SF
RENTABLE SQUARE FOOTAGE	~261,000	~342,000
# OF STORIES	4	4
PARKING/GARAGES	423 Total Parking Spaces, 30 Detached Garages, Up to 61 EV Spaces	581 Total Parking Spaces, 33 Detached Garages, Up to 32 EV Spaces
ZONING/APPROVALS	All Required Zoning and Building Plan Approval Received	All Required Zoning and Building Plan Approval Received
EST. DEVELOPMENT TERM ⁽¹⁾	Approximately 36 Months	Approximately 36 Months

(1) Includes pre-construction, construction, lease up and stabilization of the Project

INVESTMENT HIGHLIGHTS

STRONG GOVERNANCE AND ALIGNMENT OF INTERESTS WITH THE CURRENT OWNER



INVESTMENT AT DISCOUNT TO APPRAISAL: Unitholders have the opportunity to purchase an interest in the Projects at the cost basis to the Current Owner of \$21.3 million including land costs and costs to date. This implies a 25.8% discount to the appraised value of \$25.0 million plus soft costs to date of \$3.8 million totaling \$28.8 million. The Current Owner will not be receiving any proceeds from the Offering.

CARRIED INTEREST STRUCTURE: The Minimum Return of 8% to Unitholders before any Carried Interest is paid, the subordination of Asset Management Fee and the absence of employee salaries charged to the Fund, ensures alignment.

EXISTING EQUITY: The Current Owner has already invested their own equity of \$21.3 million into the Projects and will financially cover any potential cost overruns, providing a direct stake in the Projects and the Fund's performance.

INVESTMENT HIGHLIGHTS

ZONING COMPLIANT AND ENTITLED DEVELOPMENT PROJECTS WITH ADVANCED GMP, DEVELOPMENT BUDGETS ALLOWING FOR REDUCED RISK



ZONING COMPLIANT AND ENTITLED: Significantly reducing the risk profile of the Projects from a zoning perspective

CERTAINTY OF TOTAL DEVELOPMENT COST:

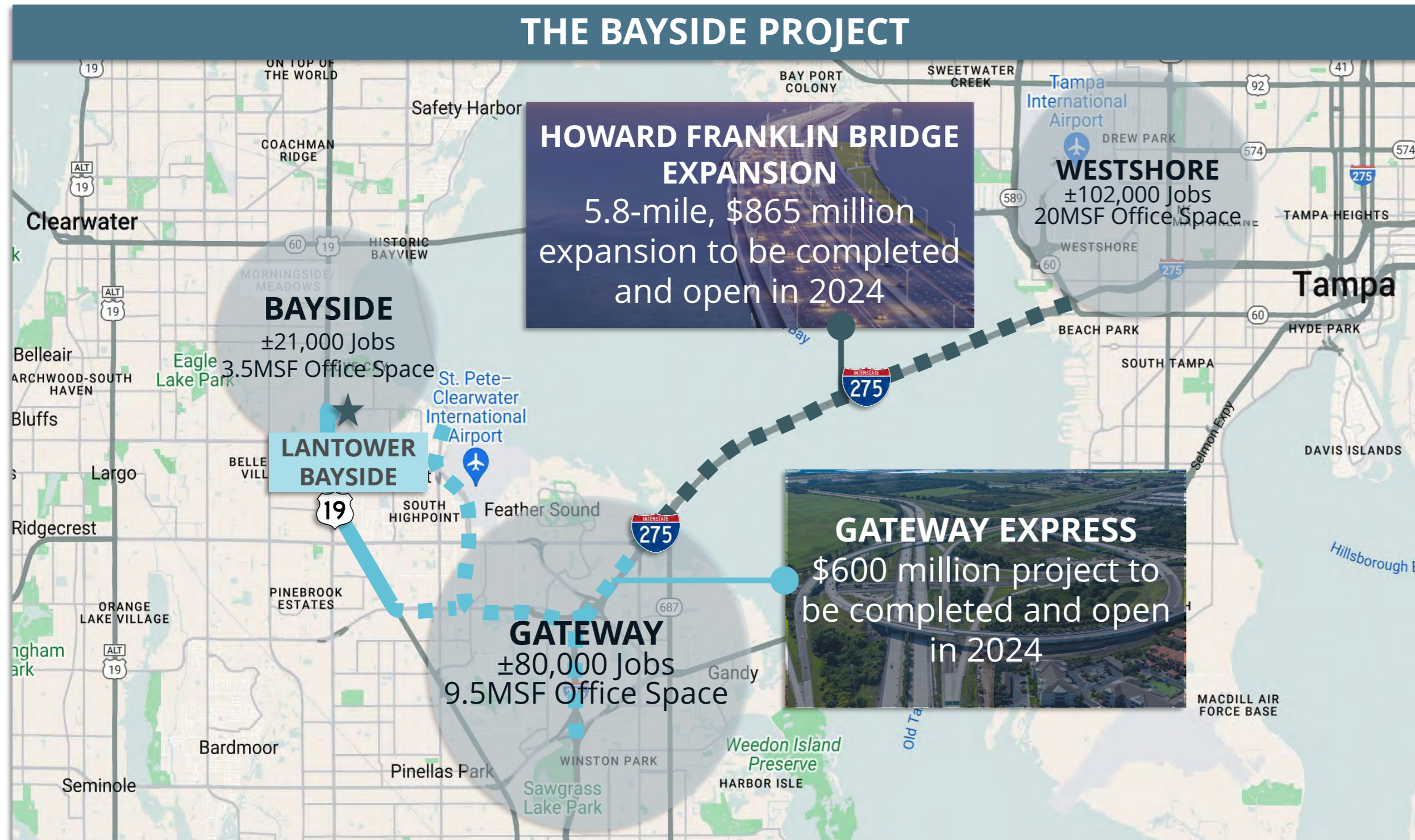
- Advanced General Contractor Guaranteed Maximum Price budgets for both Projects and minimal uncertainty in the remaining development budget cost items
- Fixed rate debt nature of the Projects reduces the risks associated with interest rate increases
- The Current Owner has committed to provide the equity for any cost overruns

MARKET-LEADING DESIGNS: With over 17,500 square feet of amenity space (double the market average) at the Bayside Project and over 16,000 square feet of amenity space (including a stand-alone clubhouse building and gym building) at the Sunrise project coupled with 10+ foot ceilings in every unit and upgraded appliances and fixtures, both Projects are forecasted to achieve an accelerated lease up in a favorable multifamily delivery environment.

INVESTMENT HIGHLIGHTS

INSTITUTIONAL MARKETS WITH STRONG LOCATION FUNDAMENTALS

THE BAYSIDE PROJECT



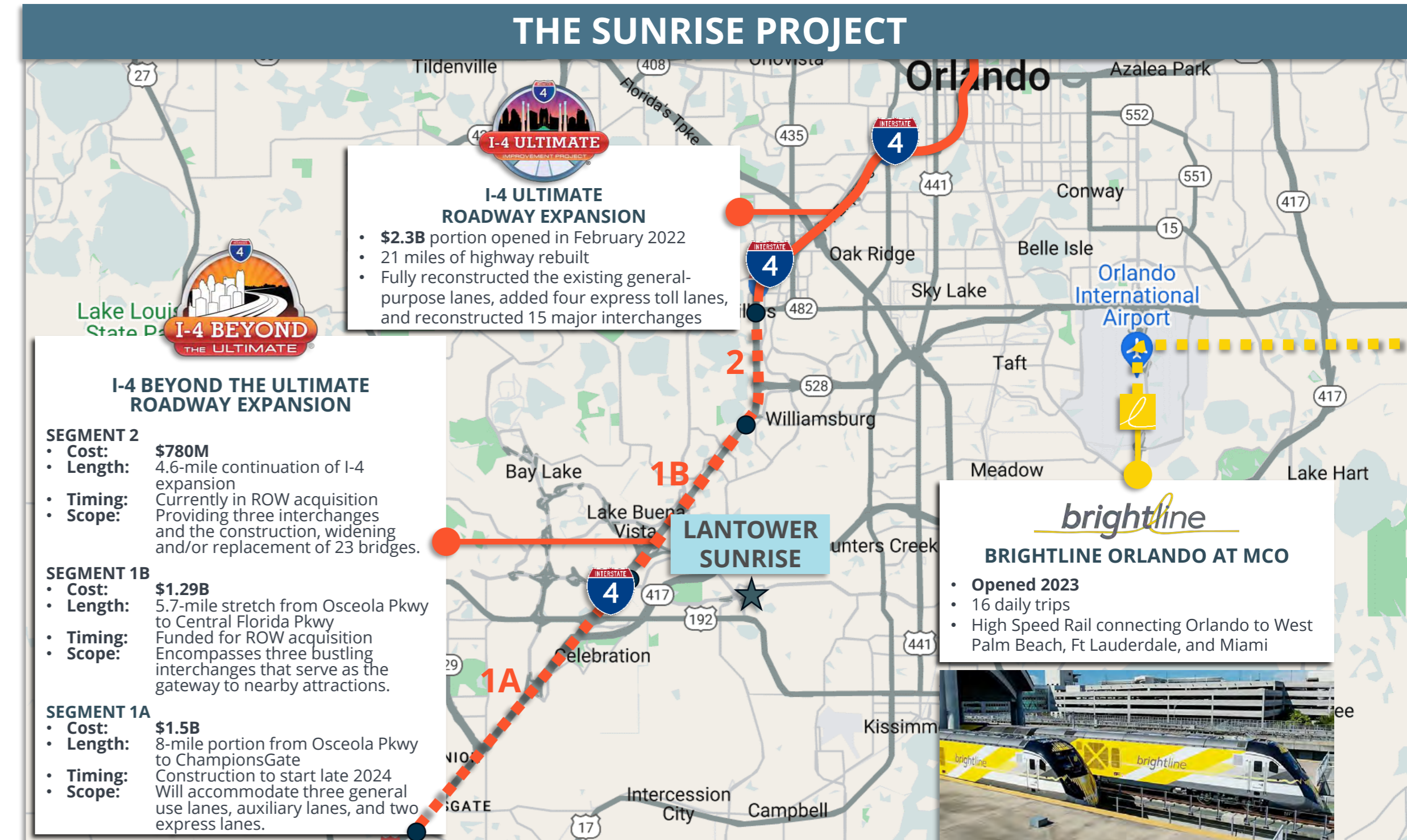
NEARBY WHITE-COLLAR EMPLOYMENT

- A 20 minute drive from the Westshore District, the largest employment area on the west coast of Florida
- Home to major employers including IBM, New York Life Insurance, PwC, Progressive Insurance, State Farm Insurance and T Rowe Price, and Tampa International Airport
- The Gateway District is located 10 minutes by car from the Bayside Project and is home to various corporate headquarters including the corporate headquarters for Tech Data Corporation, Raymond James and Home Shopping Network

HIGHLY CONNECTED LOCATION

- Approximately \$1.5 billion in infrastructure improvements in the Project area that will further improve accessibility to employment centers

THE SUNRISE PROJECT



I-4 IMPROVEMENTS

- To facilitate the explosive employment, traffic, and tourism growth along I-4, over \$5 billion dollars of roadway improvements are in process to expand the roadway network supporting this submarket
- The “I-4 Ultimate” project reconstructed 21 miles of I-4 in Orlando and in late 2024 and is set to continue improvements south past Disney World, starting at Sunrise’s I-4 access on Osceola Parkway

BRIGHTLINE TRAIN

- Brightline, the high-speed, state-of-the-art, passenger rail system, opened its Orlando station in 2023, and offers 16 daily trips to markets such as Miami, Fort Lauderdale, and West Palm Beach

INVESTMENT HIGHLIGHTS

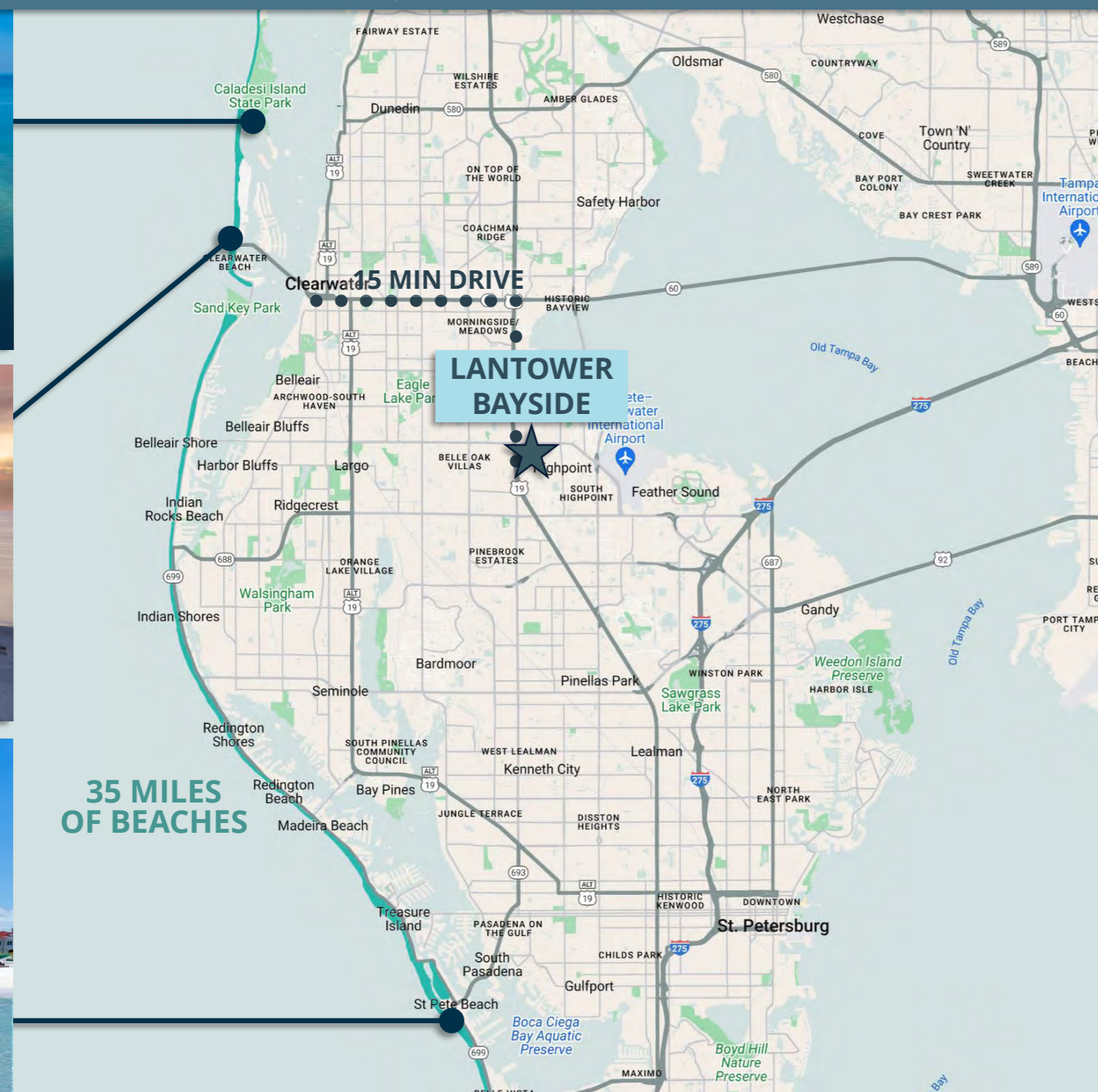
STRONG LOCATION FUNDAMENTALS

THE BAYSIDE PROJECT

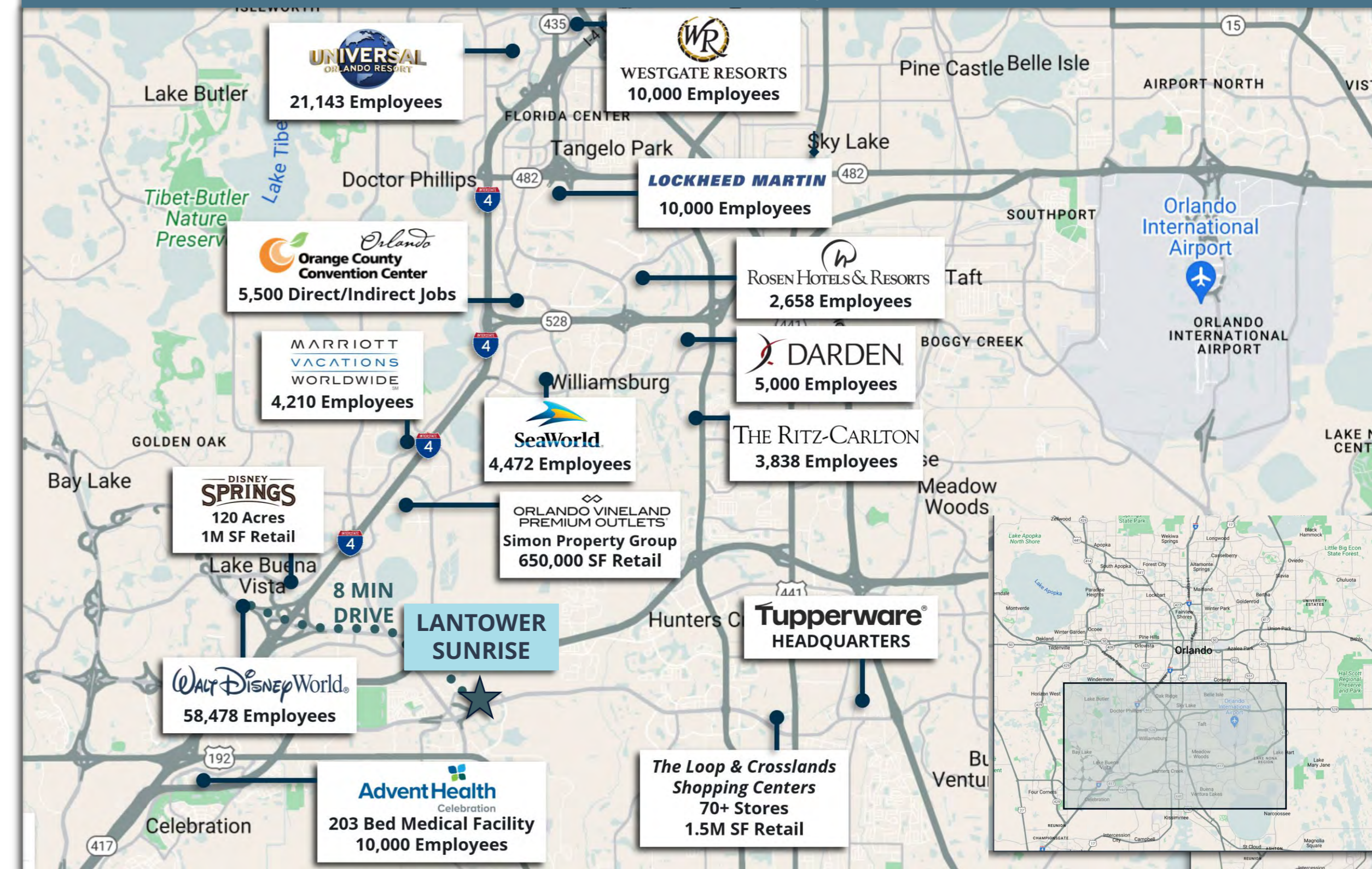
CALADESI ISLAND STATE PARK
#4 Best Beach in US
Forbes 2023

CLEARWATER BEACH
#2 Best Beach in US
Tripadvisor 2023

ST. PETE BEACH
#1 Best Beach in US
Tripadvisor 2021



THE SUNRISE PROJECT



NEARBY WHITE-COLLAR EMPLOYMENT

- The Sunrise Project is located within Orlando's high-growth I-4 Tourism Corridor, home to Disney World, Universal Studios, Sea World, Lockheed Martin, the Convention Center, and other major employers
- The I-4 Tourism Corridor supports 450,000 jobs and generates \$87.6 billion dollars in annual economic activity
- Orlando is the most-visited destination in the U.S., with 74 million annual visitors reported in 2022.

TOP RATED U.S. BEACHES

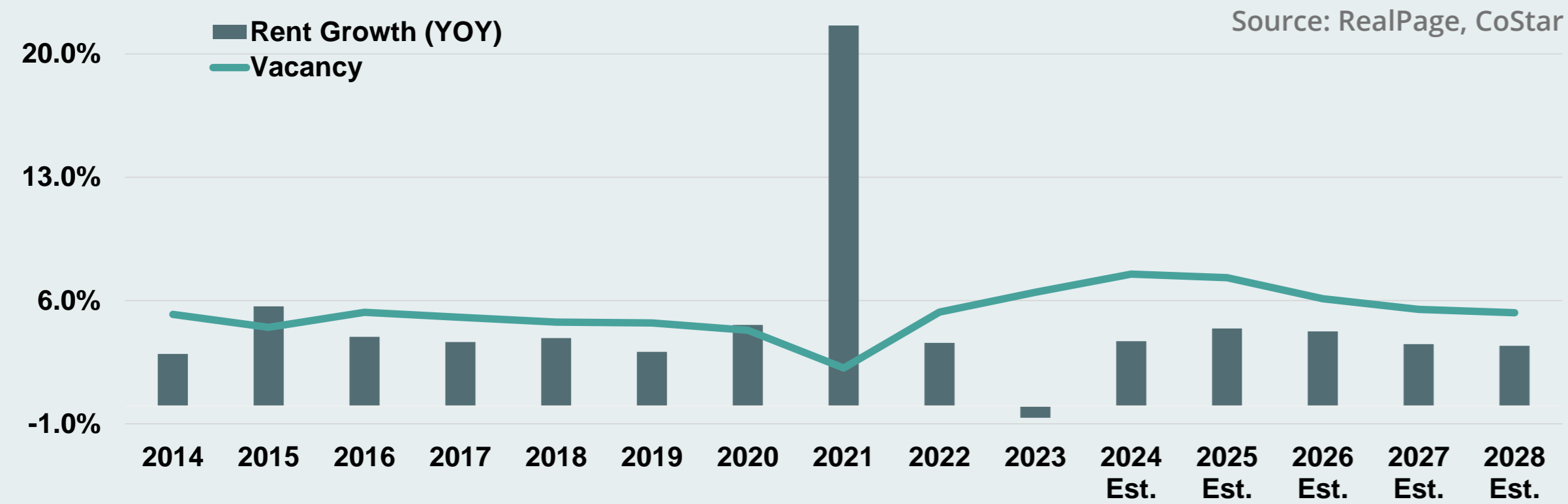
- Pinellas County is known for its world-renowned beaches with 16 distinct beaches along 35 miles of barrier island
- Pinellas County benefits from over 15 million tourists per year in recent years, crowding some of top U.S. beaches like Clearwater Beach, St. Pete Beach and two separate beach state parks
- Lantower Bayside's location on the west side of Tampa's major white collar employment centers, well positioned for a short commute for future residents to both their work and the beaches

INVESTMENT HIGHLIGHTS

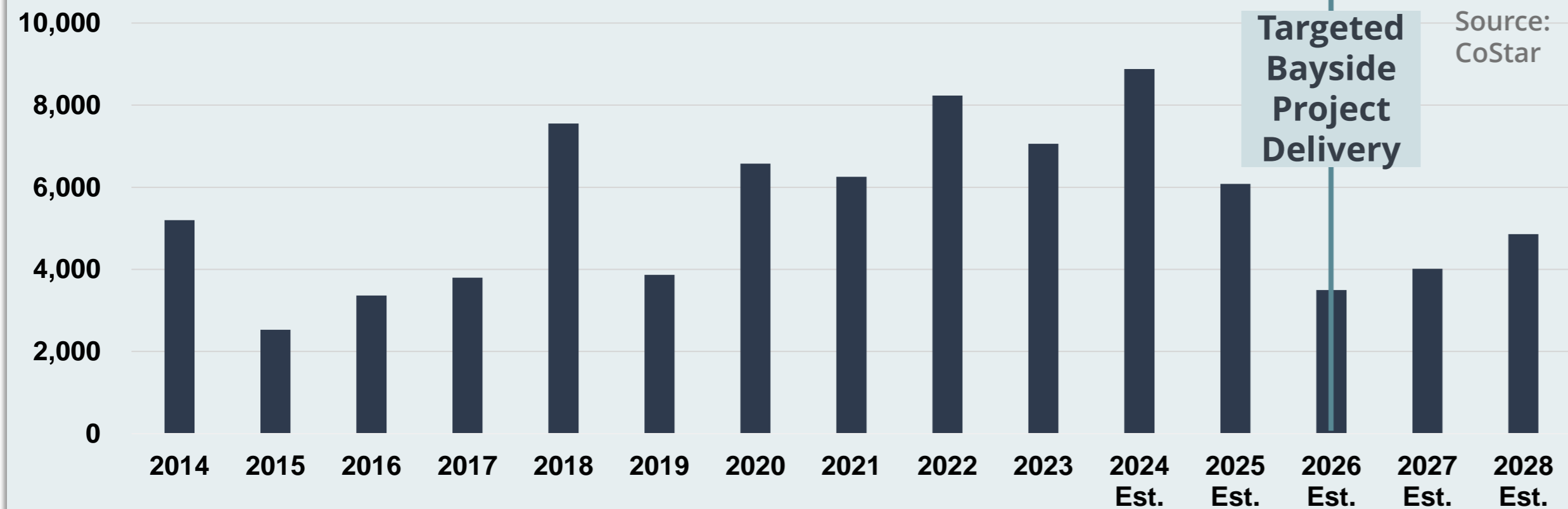
RENTAL MARKETS IN TAMPA AND ORLANDO POISED FOR GROWTH SUPPORTED BY ECONOMIC STABILITY AND PROPENSITY TO RENT

TAMPA MARKET (BAYSIDE PROJECT)

RENT GROWTH AND VACANCY RATES (HISTORICAL & PROJECTED)

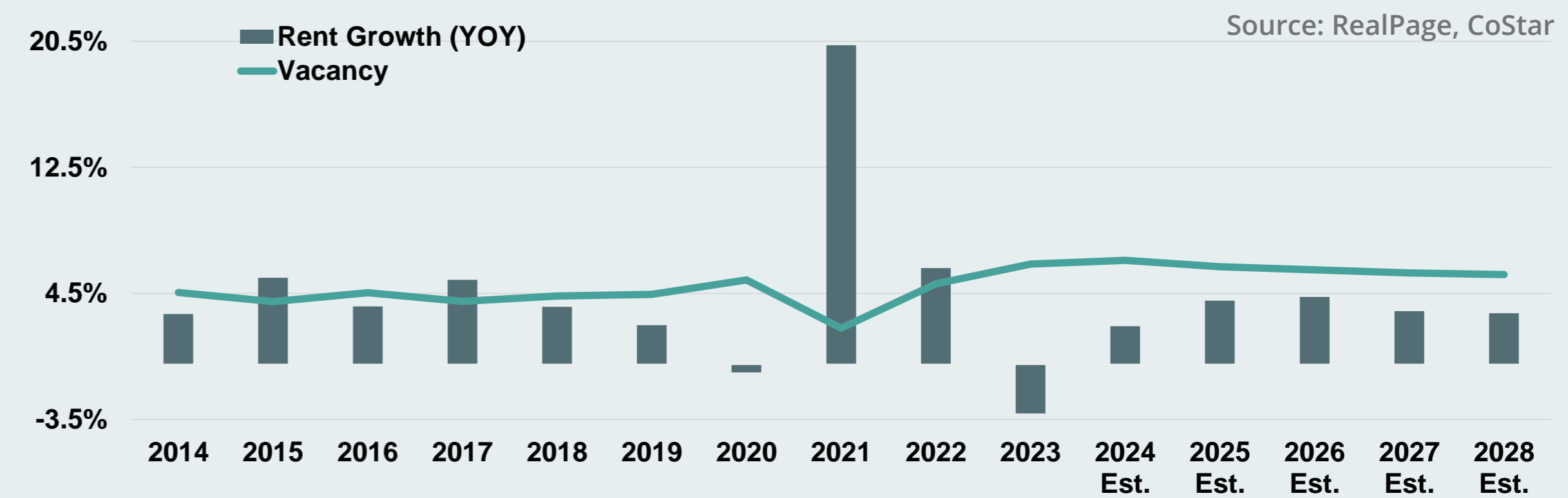


SUPPLY FUNDAMENTALS (HISTORICAL & PROJECTED)

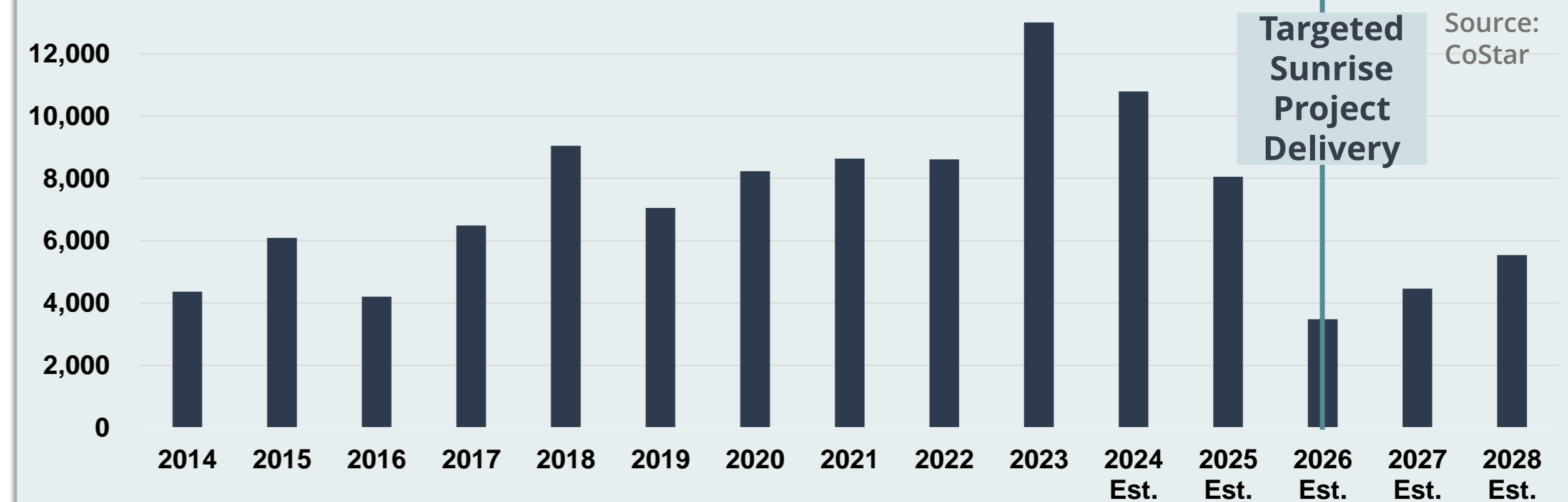


ORLANDO MARKET (SUNRISE PROJECT)

RENT GROWTH AND VACANCY RATES (HISTORICAL & PROJECTED)



SUPPLY FUNDAMENTALS (HISTORICAL & PROJECTED)



RENTAL MARKET OUTLOOK

- The Tampa and Orlando markets have experienced healthy multifamily performance metrics for over a decade, and CoStar predicts an annual rent growth of approximately over 3% in Tampa and Orlando
- Lower new single-family starts is exacerbating the housing shortage problem
- Demand fundamentals continue to be strong and only 29.1% and 23.0% of families living in Tampa and Orlando, respectively, can afford a home

LANTOWER BAYSIDE

TAMPA MSA

271-UNIT LUXURY APARTMENT DEVELOPMENT



OPPORTUNITY OVERVIEW

STRONG SITE LOCATION FUNDAMENTALS

TAMPA BAY



LANTOWER
BAYSIDE



US HWY. 19



INTERIOR FEATURES

- State-of-the-Art Smart Apartment Homes
- 10+ Foot Ceiling Heights in All Units
- 8 Foot Interior Unit Doors Throughout
- ENERGY STAR Upgraded Stainless-Steel Appliances
- LED Edge-Lit Vanity Mirrors
- Wood Plank Flooring Throughout
- Quartz Countertops
- Under-Cabinet Kitchen Lighting
- Spacious Walk-In Closets

COMMUNITY FEATURES

- 17,500 SF of Amenities (double market average)
- Property-wide Wi-Fi
- NGBS Silver Green Designation
- Double Volume Ceiling Amenity Center
- Resort-Style Pool
- 3,000 SF Double Volume Gym and Yoga Studio
- Co-Working Area with Private Offices with Coffee Bar
- Pet Park with Dog Spa

RENDERINGS

MARKET-LEADING DESIGN



LANTOWER BAYSIDE
POOL COURTYARD RENDERING



LANTOWER BAYSIDE
COURTYARD RENDERING



LANTOWER BAYSIDE
FITNESS CENTER RENDERING



LANTOWER BAYSIDE
CLUBROOM RENDERING

RENDERINGS

MARKET-LEADING DESIGN



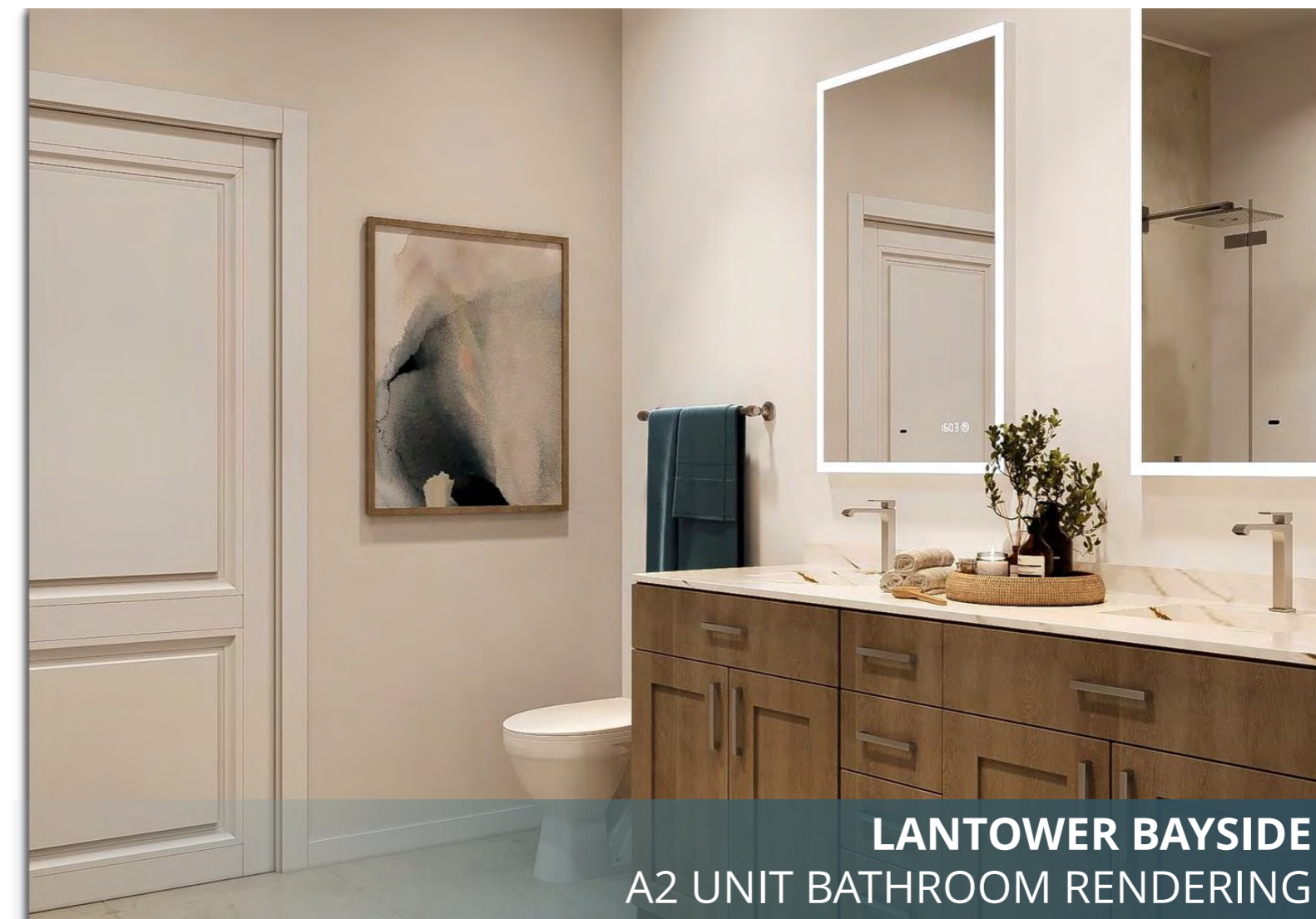
LANTOWER BAYSIDE
COWORKING RENDERING



LANTOWER BAYSIDE
B3 UNIT RENDERING



LANTOWER BAYSIDE
LOBBY RENDERING



LANTOWER BAYSIDE
A2 UNIT BATHROOM RENDERING

LANTOWER SUNRISE

ORLANDO MSA

330-UNIT LUXURY APARTMENT DEVELOPMENT



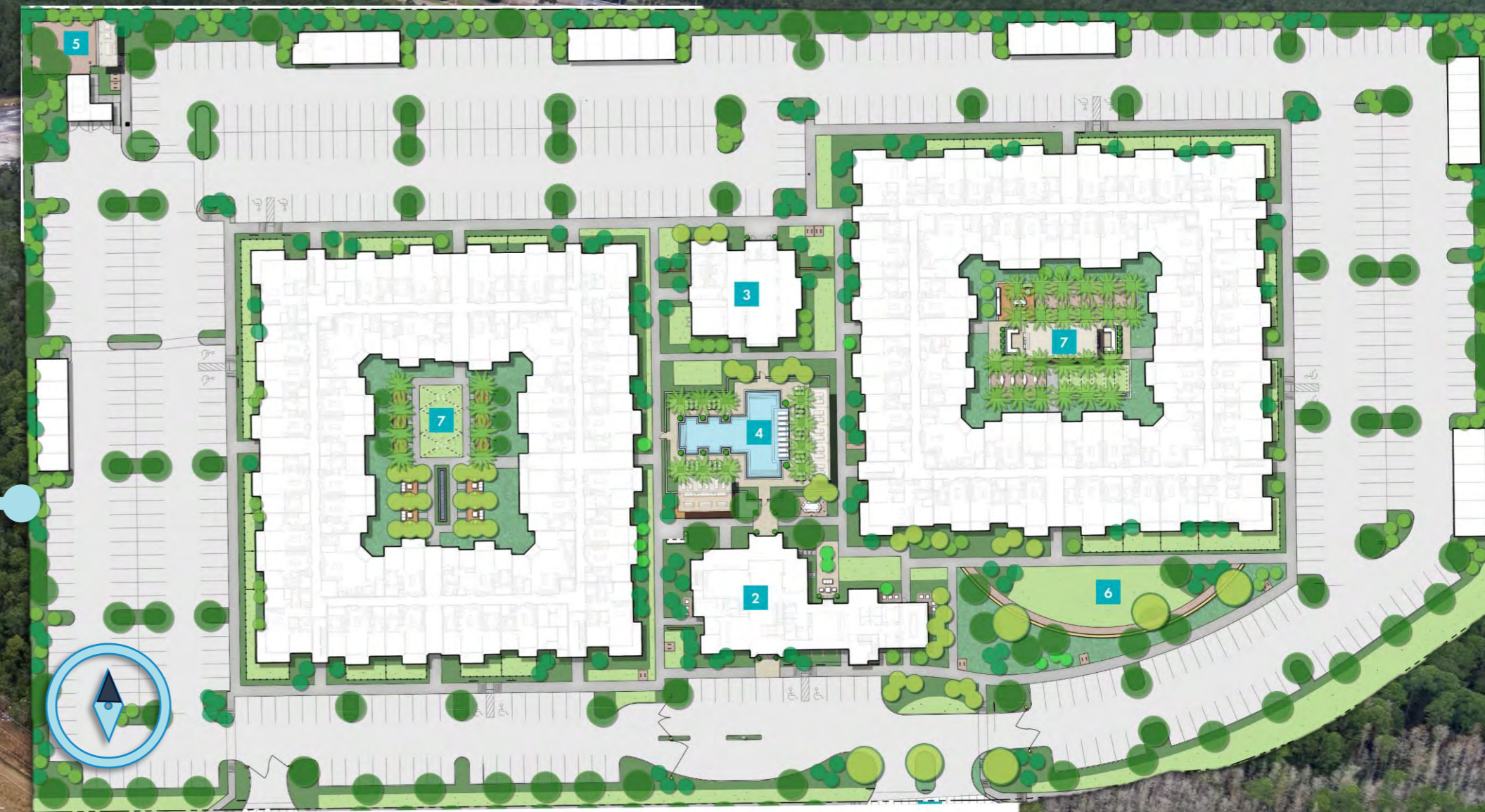
OPPORTUNITY OVERVIEW

STRONG SITE LOCATION FUNDAMENTALS

WALT DISNEY WORLD®

Publix
GROCERY

LANTOWER
SUNRISE



AMENITIES

MARKET-LEADING DESIGN

INTERIOR FEATURES

- State-of-the-Art Smart Apartment Homes
- 10+ Foot Ceiling Heights in All Units
- 8 Foot Interior Unit Doors Throughout
- ENERGY STAR Upgraded Stainless-Steel Appliances
- LED Edge-Lit Vanity Mirrors
- Wood Plank Flooring Throughout
- Quartz Countertops
- Under-Cabinet Kitchen Lighting
- Spacious Walk-In Closets

COMMUNITY FEATURES

- 16,000 SF of Amenities (double market average)
- Property-Wide Wi-Fi
- NGBS Silver Green Designation
- Double Volume Ceiling Amenity Center
- Resort-Style Pool
- Stand Alone Gym and Yoga Studio Building
- Co-Working Area with Private Offices with Coffee Bar
- Pet Park with Dog Spa

RENDERINGS

MARKET-LEADING DESIGN



LANTOWER SUNRISE
LOBBY RENDERING



LANTOWER SUNRISE
FITNESS CENTER RENDERING



LANTOWER SUNRISE
POOL RENDERING



LANTOWER SUNRISE
COWORKING RENDERING



LANTOWER SUNRISE
CLUBROOM RENDERING

RENDERINGS

MARKET-LEADING DESIGN



LANTOWER SUNRISE
A2 UNIT KITCHEN RENDERING



LANTOWER SUNRISE
A2 UNIT LIVING ROOM RENDERING



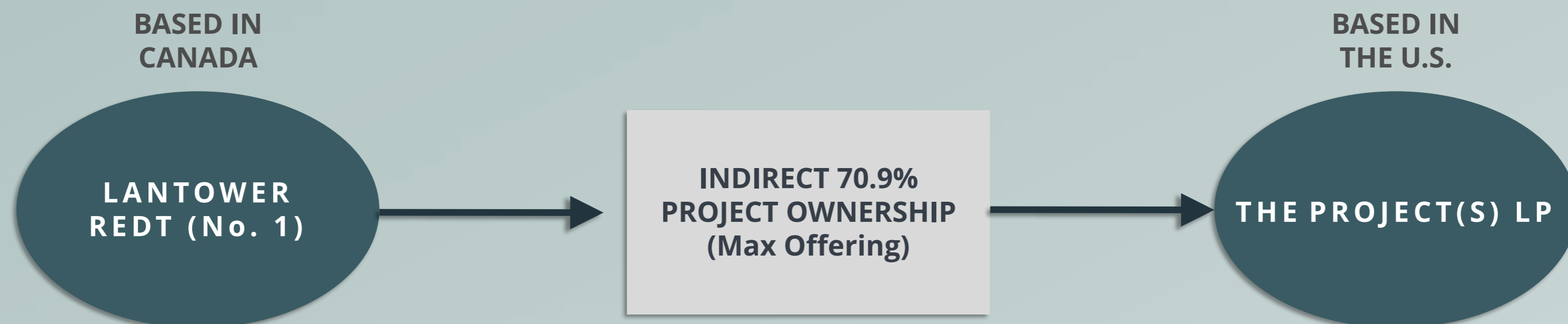
LANTOWER SUNRISE
A2 UNIT BATHROOM RENDERING

PROJECT TIMELINES & OWNERSHIP STRUCTURE

LANTOWER BAYSIDE & LANTOWER SUNRISE PROJECT SCHEDULES

2023	2024				2025				2026				2027			
4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
PRE-CONSTRUCTION																
	CONSTRUCTION															
									LEASE-UP							
													LIQUIDITY EVENT			

SIMPLIFIED OWNERSHIP STRUCTURE



PROPOSED FUND TERMS

PROJECT DETAILS

- Projects acquired by the Current Owner in 2024 and 2019, now fully zoned with construction anticipated to commence in April 2024
- Unitholder acquisition cost of \$21.3 million, including land cost and costs incurred to date, below appraised value based on appraisal date of January 23rd, 2024
- Projects aggregate 601 rental units

CLOSING & INVESTMENT TERM

- Closing Date targeted for late-March 2024
- Projected investment term of 3.5 years, subject to two 1-year extensions

WAYS TO INVEST

- Class A Units – commission-based accounts \$CAD
- Class U Units – commission-based accounts \$US
- Class F Units – fee-based accounts \$CAD
- Class E Units – fee-based accounts \$US

EQUITY STRUCTURE

- Total Project equity of \$73.3 million, split between Current Owner and Unitholders
- Current Owner will hold a 29.1% interest in the Projects through \$21.3 million of equity (assuming maximum offering)
- Unitholders will hold a 70.9% indirect interest in the Projects through \$52.0 million of equity (assuming maximum offering)

LEVERAGE STRATEGY

- Target development financing maximum overall loan-to-cost ratio of 65.0%
- Loan-to-cost not to exceed 70%

CARRIED INTEREST & TARGET RETURNS

- Repayment of contributed equity to Unitholders and Current Owner
- Targeted Minimum Return of 8% per annum, compounded annually to Unitholders and Current Owner. This is paid before Asset Management Fee and satisfaction of Carried Interest
- Payment of Asset Management Fee of 1% per annum of Unitholder equity
- 80% to Unitholders and 20% to Current Owner until Unitholders and Current Owner receive Secondary Minimum Return of 15% per annum, compounded annually thereafter, 70% to Unitholders and 30% to Current Owner
- Target pre-tax investor gross compounded annualized returns of approximately 18%-20%, before fees and satisfaction of Carried Interest

FINANCIAL PROJECTIONS

The projected Unitholder Returns upon the occurrence of a Liquidity Event are based on the forecasted value of the Property at Stabilization, which is expected to occur once the Project reaches stabilized occupancy of 95%.

VALUE AT STABILIZATION (\$USM)	BAYSIDE		SUNRISE		COMBINED	
Stab. Total Operating Revenue	\$8.5		\$10.7		\$19.2	
Stab. Total Operating Expenses	\$2.7		\$3.2		\$5.9	
Stab. Net Operating Income	\$5.8		\$7.5		\$13.3	
Forecasted Project Cap. Rate	5.0%		5.0%		5.0%	
Value at Stabilization	\$115.0		\$149.3		\$264.3	
Closing Costs & Interim Cash Flow	\$1.3		\$2.0		\$3.3	
Projected Value	\$116.3		\$151.3		\$267.6	

PROJECT COSTS (\$USM)	BAYSIDE		SUNRISE		COMBINED	
	Total	%	Total	%	Total	%
Land and Costs to Date	\$7.7	8%	\$13.6	12%	\$21.3	10%
Soft Costs ⁽¹⁾	\$11.9	13%	\$17.7	15%	\$29.6	14%
Hard Costs	\$63.5	69%	\$75.5	64%	\$139.0	66%
Financing ⁽²⁾	\$6.4	7%	\$8.3	7%	\$14.7	7%
Contingency	\$2.2	2%	\$2.7	2%	\$4.9	2%
Total Uses	\$91.7	100%	\$117.9	100%	\$209.5	100%

Project Net Profit **\$24.7** **\$33.5** **\$58.1**

(1) Soft Costs presented in this table include Agents Fee, Offering Costs and Operating Costs.
(2) Construction Financing Rate: 9.0% fixed. This loan balance is carried through project disposition.
(3) Before carried interest and fees.

CAPITAL STRUCTURE	BAYSIDE		SUNRISE		COMBINED	
	\$ Amt.	%	\$ Amt.	%	\$ Amt.	%
Construction Loan	\$59.6	65%	\$76.6	65%	\$136.2	65%
Common Equity	\$32.1	35%	\$41.2	35%	\$73.3	35%
Total	\$91.7	100%	\$117.9	100%	\$209.5	100%

OPERATING METRICS	BAYSIDE	SUNRISE	COMBINED
Initial Avg. Rent per Square Foot	\$2.48	\$2.39	\$2.44
Stab. Occupancy	95%	95%	95%

UNITHOLDER RETURNS ⁽³⁾	COMBINED
Gross Compounded Annual Return	~18%-20%
Gross Return Over 3.5 Years	~80%

TRUSTEES

TOM HOFSTEDTER

H&R REIT

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

- More than 40 years of experience in the commercial and residential real estate sector in North America.
- Chief Executive Officer of H&R REIT since its creation in December 1996
- Applies a disciplined strategy to acquisition and selective development

MICHAEL LOEB

LANTOWER RESIDENTIAL

EVP OF CORPORATE DEVELOPMENT

- Lantower Residential's Executive Vice President of Corporate Development
- Involved in development and acquisitions across the Lantower portfolio
- Prior to Lantower worked as a real estate attorney in New York City
- Juris Doctor from Fordham University School of Law where he received the Milton Young Prize for Taxation

SAMANTHA ADAMS

- 18 years of experience as a senior executive for public and private real estate companies
- Was responsible for the operations of over 50 Canadian commercial properties for the Sunstone Group
- Former Vice President of Pure Industrial Real Estate Trust for over a decade in a variety of leadership roles
- Involved in property management and asset management functions for Pure Multi-Family REIT LP

ANDREW ELBAZ

- Co-chair of the Cozen O'Connor Canadian Capital Markets & Securities Practice
- Formerly a partner with a full-service business law firm in Toronto, and prior to that, a partner with a large international law firm
- LL.B from Dalhousie University and Bachelor of Civil Law degree from Université de Montréal

MARK JOHNSON

- Advisor to the Alvin Group, a family office based in Toronto
- Former Managing Director & Co-Head, Real Estate Investment Banking at CIBC Capital Markets
- Prior to CIBC worked at Ernst & Young, where he earned his CA designation
- Member of the Canadian Institute of Chartered Accountants
- MBA from the University of Toronto and Bachelor of Arts (Economics) from Western University

CONTACT INFORMATION

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INVESTMENT HIGHLIGHTS SUMMARY

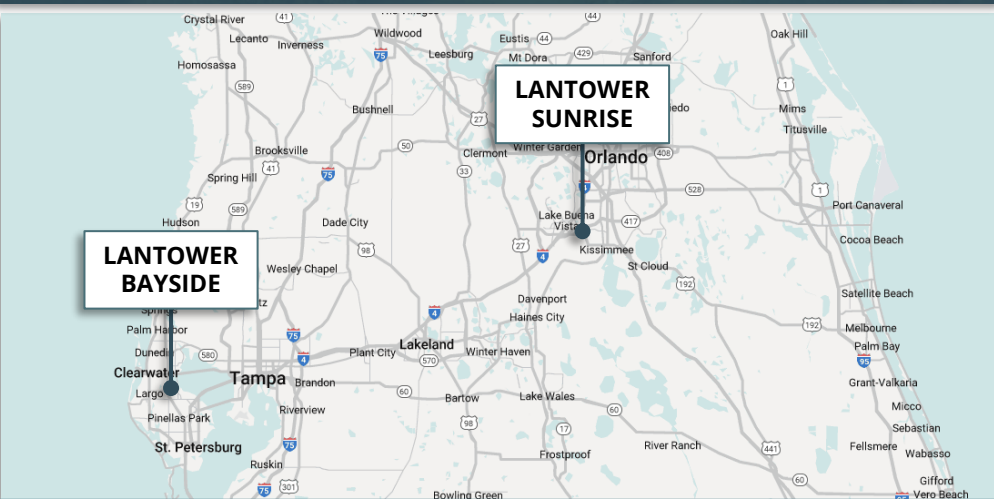
TAMPA AND ORLANDO MSA's, FLORIDA
271 & 330 SUITE MULTIFAMILY DEVELOPMENTS



LANTOWER BAYSIDE RENDERING
TAMPA, FL



LANTOWER SUNRISE RENDERING
ORLANDO, FL



**EXPERIENCED
SPONSORSHIP
TEAM**



**18-20% TARGET
ANNUAL
RETURN⁽¹⁾**



**3.5-YEAR
PROJECTED
TIMELINE⁽²⁾**



**\$10K MINIMUM
INVESTMENT⁽³⁾**



**PUBLIC
REPORTING
ISSUER**



**SUPERIOR
LOCATION &
DEMOGRAPHICS**



**REGISTERED
PLAN ELIGIBLE ⁽⁴⁾**



**STRONG
RENTAL AND
INSTITUTIONAL
MARKETS**



**ZONING
COMPLIANT AND
ENTITLED**



**ALIGNMENT
WITH CURRENT
OWNERS**

See the prospectus for the Lantower Real Estate Development Trust (No. 1) for more information.

- (1) Returns are calculated pre-tax before fees and satisfaction of Carried Interest. Estimated 3.5-year investment horizon, subject to two 1-year extensions. Please see "Financial Projections" for additional details and assumptions with respect to the approximate Target Annual Return information.
- (2) Subject to two 1-year extensions.
- (3) Minimum subscription amount is C\$10,000 in respect of the Class A Units & Class F Units; and US\$10,000 in respect of the Class E Units & Class U Units.
- (4) The Offering will be qualified by a prospectus and can be held in an investment account and is registered plan eligible (RRSP, RRIF, TFSA, FHSA, RDSP or RESP).