



MANAGEMENT PRESENTATION

JUNE 2014



AGENDA

Valley Ranch Apartments, Dallas, TX

1. PURE ADVANTAGE

- Who we are

2. PURE PLAY

- What we do

3. PURE STRATEGY

- How we do it

4. PURE RESULTS

- Our Successes



WHY PURE MULTI-FAMILY REIT LP



Fairways at Prestonwood, Dallas, TX



1 Significant organic growth - strong growth markets + strong growth strategies = strong results

2

Attractive, sustainable yield - distribution of US\$0.375 per annum which results in a yield of 7.8% at \$4.82 (as at June 13, 2014)

3

High Quality Assets - stable multi-family asset class with a portfolio occupancy rate at 98.7% with minimal capex requirements

4

Conservative Capital Structure - run-rate AFFO payout ratio of 85% and a tax efficient structure

5

Experienced and fully aligned management team - proven track record of creating value for investors with over \$2.7 billion in transactions and having raised over \$1.6 billion in equity

PURE ADVANTAGE



THE PURE MULTI ADVANTAGE



Walker Commons, Houston, TX



Strong Management Team

2

Proven Effective Structure

3

Management Value Creation

4

Hands-on management across multiple disciplines

STRONG MANAGEMENT TEAM

Pure Multi's management team has a **proven track record** of **value creation** and over **80 years** of combined **experience**. Pure Multi has **81 employees** and **experience investing in the U.S.A. since 1992**.

STEVE EVANS Chief Executive Officer

25 years of real estate experience in both Canada and the U.S.; Co-CEO of Pure Industrial Real Estate Trust, a TSX listed industrial REIT (TSX:AAR.UN); Principal of Sunstone Realty Advisors; Sponsor and Director of American Hotel Income Properties, a TSX listed REIT LP (TSX:HOT.UN)

SAMANTHA ADAMS Vice President

14 years of real estate experience in both Canada and the U.S.; VP of Sunstone Realty Advisors since 2003; VP of PIRET since 2007

SCOTT SHILLINGTON Chief Financial Officer

13 years of financial management experience; Controller of Sunstone Realty Advisors since 2010; Previously with Price Waterhouse Coopers, Phoenix Arizona

PROPERTY MANAGEMENT The Tipton Group

BRYAN KERNS President of the Tipton Group

- Over 30 Years of Real Estate Acquisition and Management Experience
- One of the Top 20 Real Estate Management Companies in the DFW Metro Area
- Over 30,000 Multi Family Units and 2.5 Million S.F. of Commercial Properties Managed Since 1985
- Extensive experience in the Sunbelt Region

PROVEN, EFFECTIVE STRUCTURE

PROVEN STRUCTURE

- No transaction or asset management fees
- Efficient structure permits fund to grow with discipline

PERFORMANCE DRIVEN

- Management rewarded for performance
- Consistent AFFO growth year over year
- No transaction or asset management fees

SOLID FOUNDATION

- Experienced management team with proven track record
- Completed over \$2.7 billion of revenue producing real estate transactions since 2002
- Completed over \$500 million in U.S. multi-family apartment transactions

HANDS-ON MANAGEMENT ACROSS MULTIPLE DISCIPLINES

DEAL SOURCING AND UNDERWRITING

- Strong acquisition team
- Comprehensive pipeline of accretive acquisitions
- Long term relationships

DUE DILIGENCE ON ACQUISITION

- Identifying value add potential
- Environmental and capex assessment
- Detailed operating budget
- Prudent debt financing

OWNERSHIP

- Hands-on asset and property management
- In-house financial reporting and risk management
- Value add strategy implementation

ACTIVE PORTFOLIO MANAGEMENT

- Evaluate potential exit strategies
- Optimise investor returns
- Re-balance portfolio

MANAGEMENT VALUE CREATION

No external asset
management fee

Fully aligned
interest structure

Management provides:

COMPLETE OPERATIONAL OVERSIGHT AND STRATEGIC PLANNING

- Budgeting and forecasting
- Sales and marketing
- Lease renewals and operating systems
- Design and renovations
- Implement value add programs
- Ongoing market review

PURE PLAY



Walker Commons, Houston, TX

WHY U.S. MULTI-FAMILY



1 Strong sunbelt economies driving U.S. recovery

2 Growing Demographic – strong demand from echo boom population

3 Propensity to Rent – lifestyle choice

4 Supply and demand imbalance

5 Growing demand + limited supply = increased rents

U.S. MULTI-FAMILY MARKET

There is **significant growth** potential in the U.S. multi-family market, particularly as compared to the Canadian market.

- **Higher quality assets**
- **Robust pipeline** of available acquisitions
- **Strong apartment market recovery** in progress

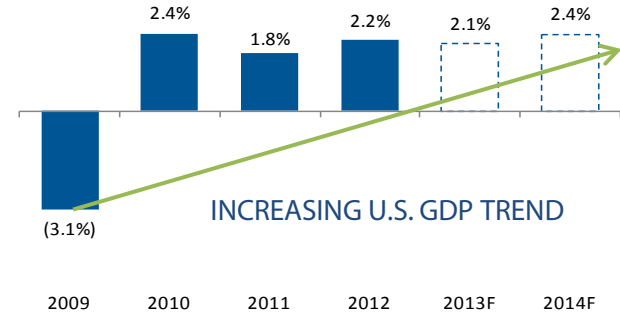


STRATEGIC SUNBELT FOCUS

Pure Multi makes **quality acquisitions** in the **strongest growing** U.S. sunbelt markets. These markets are leading the **economic recovery**.

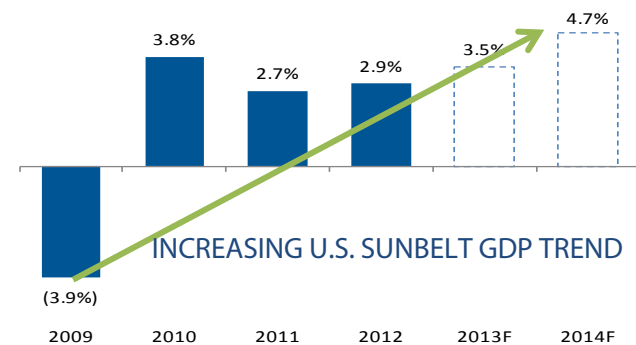
ECONOMIC GROWTH = RENTAL RATE GROWTH

U.S. REAL GDP GROWTH



Source: U.S. Bureau of Economic Analysis

"SUNBELT" REAL GDP GROWTH



Source: JP. Morgan Chase, 4Q seasonally adjusted annual rates.

SUNBELT LEADING THE RECOVERY

Pure Multi's markets are highlighted and are among the top performing metro areas with the most gains in employment and population growth.

TOP 25 METRO AREAS FOR ESTIMATED GAINS (2011 – 2016)

EMPLOYMENT GROWTH (THOUSANDS)

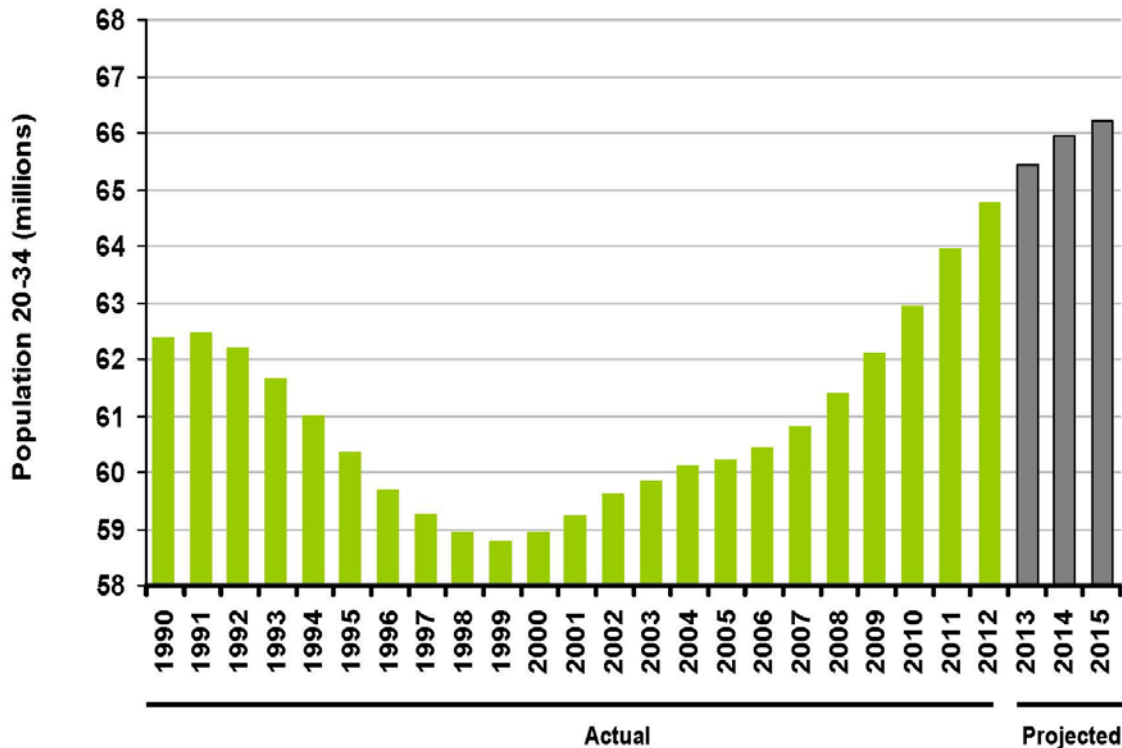
RANK	METRO AREA	GAIN
1	New York-Wayne NY-NJ	508.3
2	Houston-Baytown TX	485.5
3	Los Angeles-Long Beach CA	389.5
4	Dallas-Plano TX	381.5
5	Atlanta-Sandy Springs GA	351.1
6	Chicago-Naperville IL	308
7	Phoenix-Mesa-Scottsdale AZ	239.9
8	Minneapolis-St.Paul MN-WI	207
9	Washington-Arlington DC-VA-MD-WV	198.9
10	Denver-Aurora CO	180.1
11	Austin-Round Rock TX	175.3
12	Philadelphia PA	171.5
13	Seattle-Bellevue WA	169.1
14	Fort Worth-Arlington TX	157.6
15	Santa Ana-Anaheim CA	151.4
16	Baltimore-Towson MD	150.4
17	San Antonio TX	149.6
18	Orlando FL	148.5
19	Tampa-St. Petersburg FL	135.4
20	San Diego-Carlsbad CA	134.8
21	Riverside-San Bernardino CA	130.8
22	San Francisco-San Mateo CA	125.2
23	Las Vegas-Paradise NV	123.7
24	Charlotte-Gastonia NC-SC	116.7
25	Portland-Vancouver OR-WA	106.9

POPULATION GROWTH (THOUSANDS)

RANK	METRO AREA	GAIN
1	Houston-Baytown TX	600.4
2	Phoenix-Mesa-Scottsdale AZ	587.3
3	Atlanta-Sandy Springs GA	527
4	Los Angeles-Long Beach CA	493.8
5	Dallas-Plano TX	485.5
6	Orlando FL	311
7	Las Vegas-Paradise NV	305.3
8	Washington-Arlington DC-VA-MD-WV	277.1
9	Riverside-San Bernardino CA	267.8
10	Austin-Round Rock TX	251.6
11	Fort Worth-Arlington TX	250.1
12	San Diego-Carlsbad CA	240.8
13	Raleigh-Cary NC	237.7
14	San Antonio TX	230.2
15	Charlotte-Gastonia NC-SC	225.1
16	Portland-Vancouver OR-WA	210.7
17	New York-Wayne NY-NJ	207.9
18	Tampa-St. Petersburg FL	195.1
19	Denver-Aurora CO	179.6
20	Fort Lauderdale-Pompano Beach FL	167.6
21	Minneapolis-St. Paul MN-WI	166.4
22	West Palm Beach-Boynton Beach FL	166.4
23	Seattle-Bellevue WA	163.5
24	Chicago-Naperville IL	154.2
25	Miami-Miami Beach FL	157.4

Source: Precis METRO 2005 Economy.com, Inc. - April 2013.

U.S. MULTI-FAMILY DEMOGRAPHICS



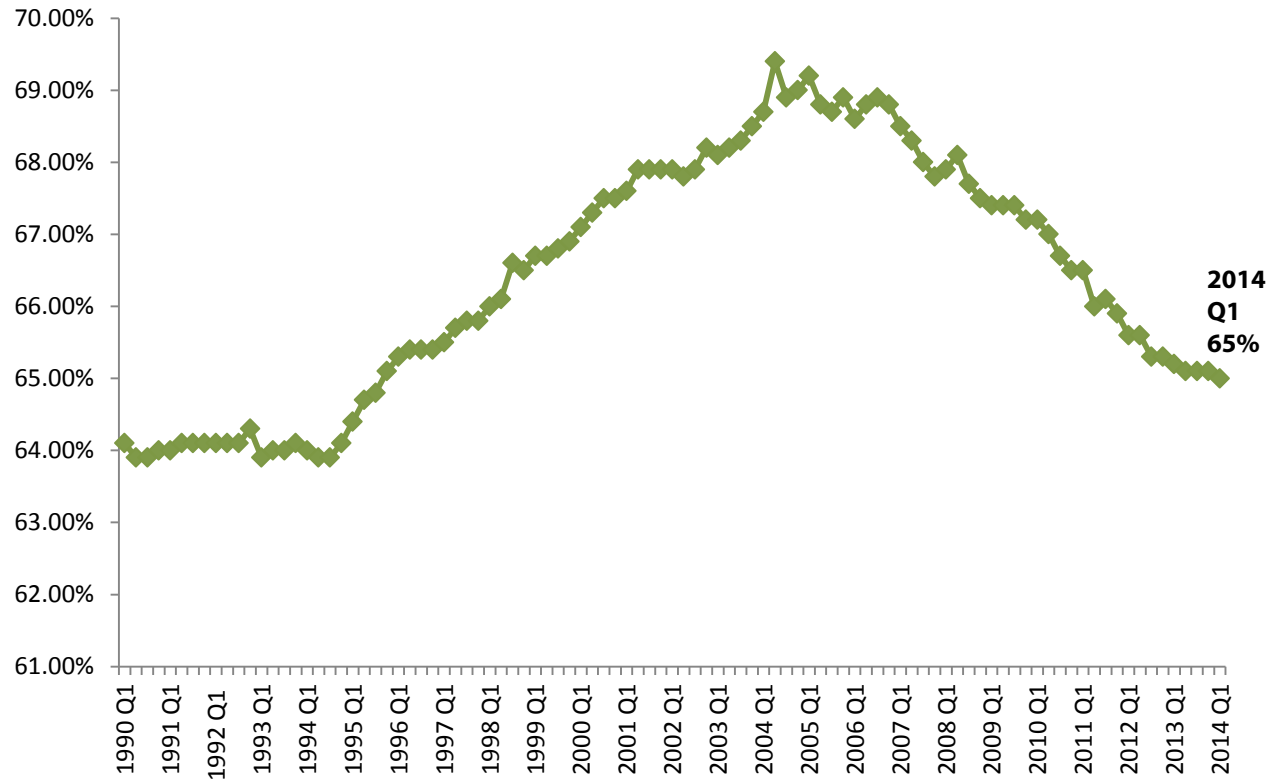
Over 60% of the **Echo Boom** age group **choose to rent**.

Long-term ongoing demand

Source: Witten Advisors

U.S. MULTI-FAMILY DEMOGRAPHICS

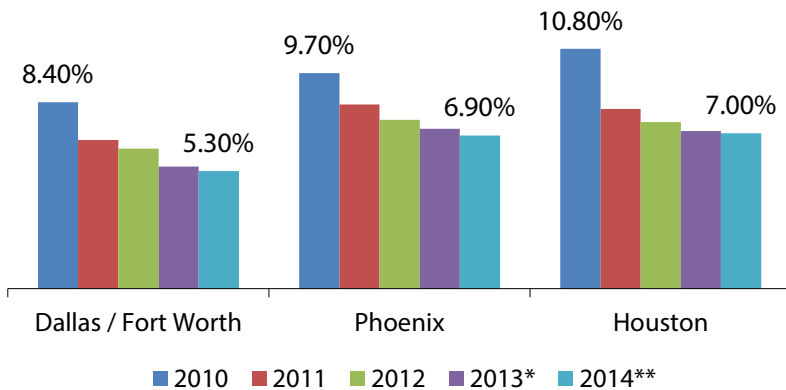
Home ownership is on the decline as people choose and prefer a renter's lifestyle.



Source: U.S. Census Bureau – Seasonally Adjusted Homeownership Rates

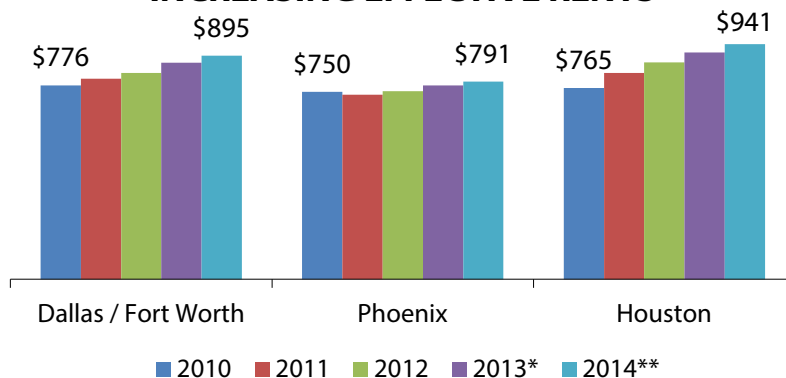
AN INCREASING DEMAND LEADS TO HIGHER ASKING RENTS

DECLINING VACANCY RATES



Source: Marcus & Millichap, 2014 and 2013 National Apartment Report.

INCREASING EFFECTIVE RENTS



Source: Marcus & Millichap, 2014 and 2013 National Apartment Report.

- * Estimate
- ** Forecast

An **increasing demand** for rental housing supports a **continued increase** in rental rates.

- **Solid revenue growth**
- **No rent controls in our target markets**

PURE STRATEGY

GROWTH STRATEGY



Bear Creek Apartments, Dallas, TX

1

**Build the portfolio -
institutional quality
CLASS A resort-style
apartment portfolio**

2

Acquire in clusters

3

Select desirable locations

4

**Implement value add
capital improvement
programs**

5

**Produce strong
operating results**

PORTFOLIO SUMMARY

High quality portfolio, newer construction with close proximity to strong job markets

Portfolio Quality: **CLASS A**

Number of Units: **3,966¹**

Number of properties: **14**

Acres: **219**

Number of buildings: **270**

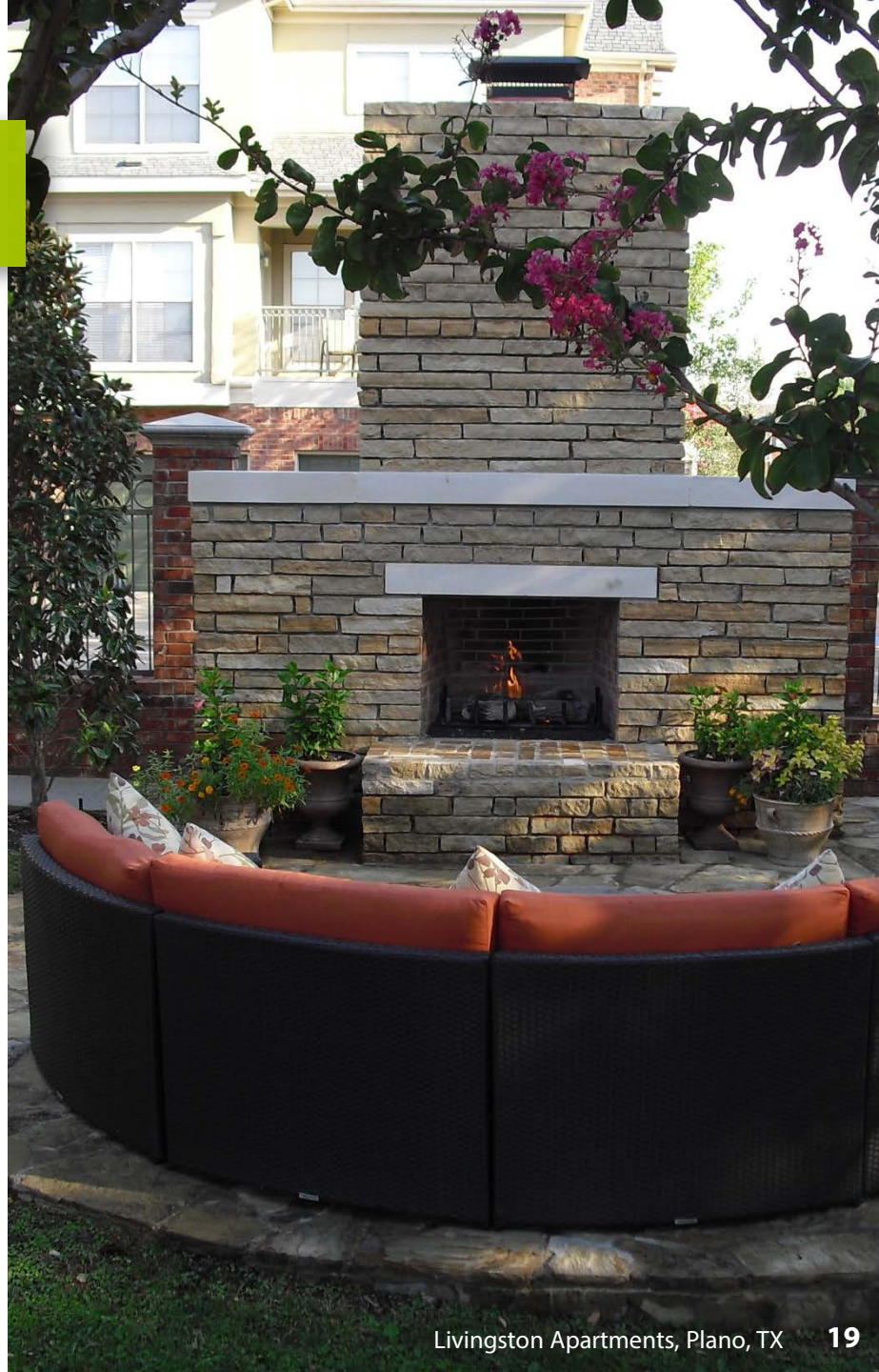
Average rent per square foot : **\$1.064**

Weighted avg. year of construction: **1995**

Purchase price (\$US): **\$368.1 million**

Overall occupancy: **98.7%**

¹ Includes announced acquisition of Walker Commons



STRATEGIC ASSET LOCATIONS

Dallas is one of America's strongest growing economies. We select properties strategically located in submarkets with clear advantages in employment opportunities and growth.



MOTOROLA
Assembly Plant

Legacy Business Park

JCPenney, Frito Lay, Yum!, ERICSSON, hp, DR PEPPER SNAPPLE, PEPSICO

COWBOYS STADIUM, TCU, GM

FOCUS ON CLASS A

Class



QUALITY - Class A properties attract higher quality tenants.

HIGHER RENT - Class A properties achieve higher rent per square foot.

FEWER CAPITAL REQUIREMENTS - Class A properties are generally newer and require less updating and redevelopment.

STRONG LOCATIONS - Class A properties are generally located in economically strong locations.

RESORT STYLE AMENITIES PACKAGE

ATTRACTIVE RESORT STYLE PORTFOLIO

HIGH QUALITY PORTFOLIO, NEWER CONSTRUCTION WITH
CLOSE PROXIMITY TO **STRONG JOB MARKETS**



PRESTIGIOUS RESORT-STYLE, GATED COMMUNITIES

Spacious low density properties with ample green space and amenities that include: resort style swimming pool and spas, 24 hour fitness facilities, community clubhouses and private movie theatres, tennis courts, outdoor kitchens with gas grills, outdoor fire pits.

PRIME LOCATIONS

Located within submarkets with a strong employment base and within close proximity to good school districts, amenities and transportation

LUXURY CONDO-QUALITY UNITS

Details such as attached and detached garages, high ceilings, crown mouldings and high quality appliances, and built in workstations are common features at our properties.

VALUE ADD CASE STUDIES

COMMON AREA IMPROVEMENTS

OUTDOOR KITCHEN COST = \$6,000



\$10 increase in monthly rent x 12 months = \$120 / year in additional revenues per unit. At an average capitalization rate of 6% = \$2,000 increase in value per unit

OUTDOOR FIRE PIT COST = \$3,000



SUITE IMPROVEMENTS

BEFORE



\$150 increase in monthly rent x 12 months = \$1,800 / year in additional revenues per unit. At an average capitalization rate of 6% = \$30,000 increase in value per unit.

AFTER



VALUE ADD CASE STUDIES

Bear Creek Apartments, Dallas TX

EXTERIOR PAINT IMPROVEMENTS

BEFORE



AFTER



PURE RESULTS



Q1 2014 FINANCIAL RESULTS

Canaccord Genuity recently listed PURE MULTI as one of Canada's top three REIT's "with the **strongest year-over-year growth** in **FFO** per unit/share..."

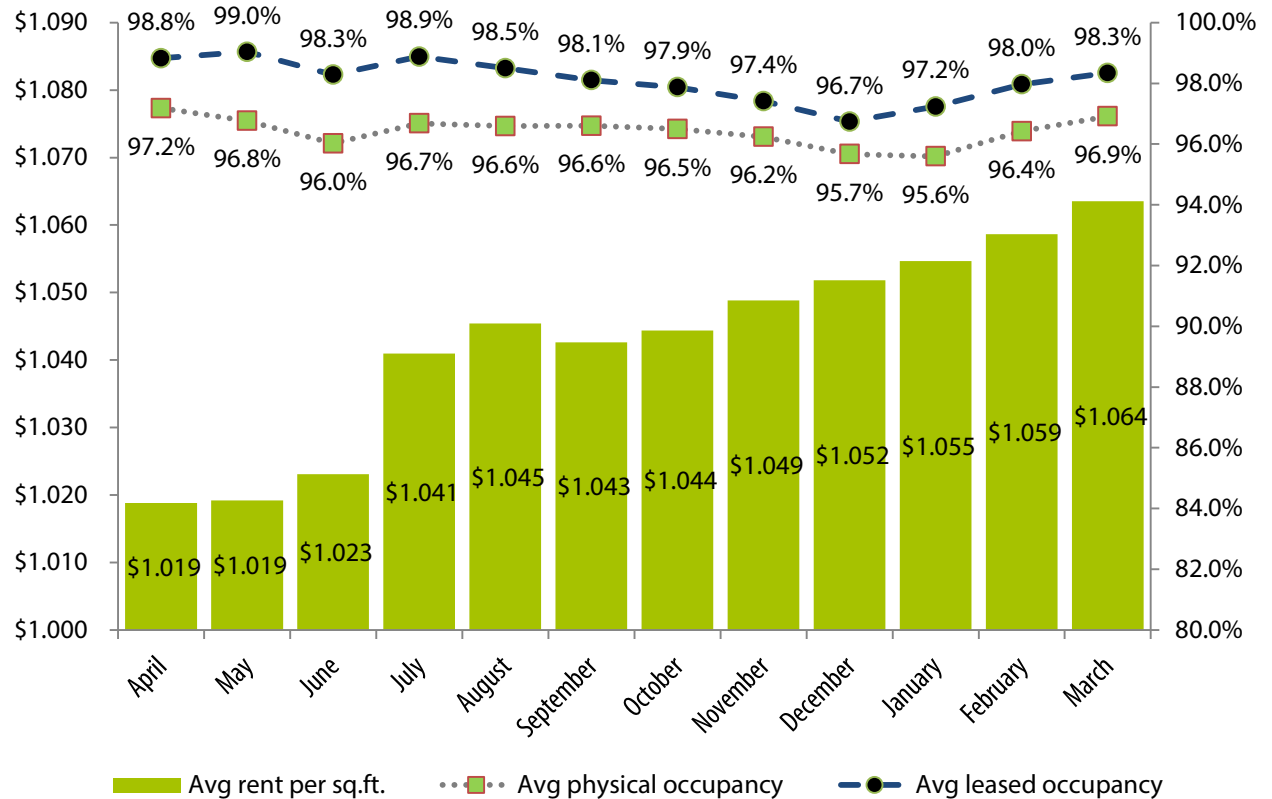
Canaccord REIT Review – May 26 2014

- **4.3% same property total rental revenue growth** (Q1 2014 vs Q1 2013)
- **7.4% same property net rental income growth** (Q1 2014 vs. Q1 2013)
- **\$10.6 million** Q1 2014 rental revenues - an increase from **\$5.5 million** during Q1 2013
- **\$5.7 million** Q1 2014 net rental income - an increase from **\$2.9 million** during Q1 2013
- **98.7%** portfolio occupancy at March 31, 2014
- Managements estimated 2014E run-rate FFO payout ratio of 79% and AFFO payout ratio of 85%

STRONG ORGANIC GROWTH

Consistently showing an **increase in rent** paired with strong stable occupancy

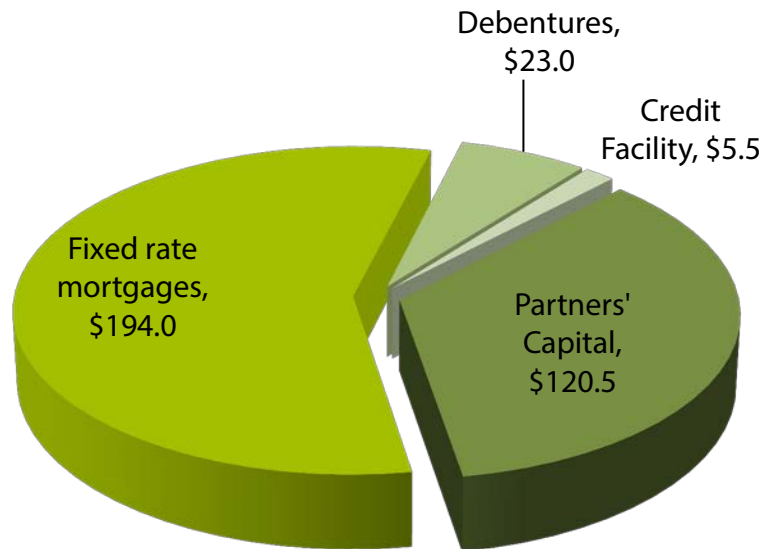
**PURE MULTI PORTFOLIO - RENT AND OCCUPANCY TRENDS
APRIL 2013 TO MARCH 2014**



CONSERVATIVE CAPITAL STRUCTURE

Low interest rates, almost 100% long-term fixed rate debt

\$ in millions – as at March 31, 2014



- Partners' Capital
- Fixed rate mortgages

- 59% mortgage/ loan to value
- 4.1% weighted average interest rate on all mortgages
- **97.5% fixed-rate debt**
- 2.5% variable rate debt
- Mortgages mature between 2017-2028
- **7.8 years** weighted average term remaining of mortgages

PURE SUMMARY



Vistas at Hackberry Creek, Dallas, TX



SOLID OPERATING HISTORY



EXCELLENT REVENUE GROWTH



HANDS-ON MANAGEMENT TEAM



**UNDERVALUED PRICE TO AFFO
TO PEERS**



**STRONG TRACK RECORD OF
CREATING VALUE**



SIZED FOR GROWTH

APPENDIX



CAPITAL STRUCTURE

Unit price ¹	\$4.80
(US \$ Millions)	
Gross book value ^{1,2}	\$390.7
Cash ^{1,2}	\$8.8
Debt ^{1,2}	\$249.2
Enterprise value ^{1,2}	\$382.1
Debt to GBV ^{1,2}	64.1%
Weighted average interest rate ^{1,2}	4.0%

1. As at March 31, 2014

2. Includes announced acquisition of Walker Commons and private placement closed on May 21, 2014



Q1 2014 OPERATING RESULTS

Pure Multi's interest⁽¹⁾

<i>(\$000s, except per unit basis)</i>	Q1 2014	Q1 2013	Variance %
Rental revenue, same property	5,644	5,414	4.3%
Total rental revenue - Pure Multi's interest	10,626	5,500	93.2%
Operating expenses, same property	2,548	2,531	0.7%
Total operating expenses - Pure Multi's interest	4,919	2,560	92.1%
Net rental income, same property	3,096	2,883	7.4%
Total net rental income - Pure Multi's interest	5,707	2,940	94.1%
Funds from operations	3,040	1,612	88.6%
per Class A unit	0.12	0.09	33.3%
Payout ratio	78.2%	100.4%	n/a
Adjusted funds from operations	2,769	1,519	82.3%
per Class A unit	0.11	0.08	37.5%
Payout ratio	85.8%	106.6%	n/a

⁽¹⁾ Pure Multi's interest represents the proportionate share of all assets, liabilities, revenues and expenses of all its portfolio investments, and prorates and accrues property tax liability and expense, on all portfolio investments, based on the time period of ownership throughout the given reporting year.

STEADY, SUSTAINABLE DISTRIBUTIONS

- Monthly per unit distribution amount: **\$0.03125**
- Annualized rate: **\$0.375**
- Market Cap (as at June 13, 2014): **\$137.3** million
- Yield: **7.8%** (as at June 13, 2014)
- AFFO Payout Ratio (2014E): **85%**¹
- Uninterrupted history of consecutive monthly distributions
- Asset class produces strong monthly cashflow

¹ Based on managements best estimates



ANALYST COVERAGE



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