



Q3 2023 Investor Presentation *Dream Residential REIT*



November 2023

TSX:DRR.U, DRR.UN



All dollar amounts in this presentation are stated in U.S. dollars and references to dollars or “\$” are to U.S. currency. Graphs and tables demonstrating the historical performance of the 16 garden-style multi-residential properties acquired by the REIT upon closing of its initial public offering, consisting of 3,432 units (the “Initial Properties”) contained in this presentation are intended only to illustrate past performance and are not necessarily indicative of future performance.

Non-IFRS Measures and Industry Metrics

This presentation makes reference to certain non-International Financial Reporting Standards (“IFRS”) financial measures and non-IFRS ratios and industry metrics, including “net total-debt-to-net total assets”, “net total debt”, and “net total assets”. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other publicly traded entities. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. Certain additional disclosures such as the composition, usefulness, reconciliation to the most comparable IFRS metrics, and changes, as applicable, of these non-IFRS specified financial measures have been incorporated by reference from Dream Residential Real Estate Investment Trust’s (the “REIT”, “DRR”, “us”, “we” or our”) management’s discussion and analysis as at and for the three months ended September 30, 2023 (the “MD&A Q3 2023”) and can be found under the section “Non-GAAP Financial Measures and Ratios”, subheading “Net total debt-to-net total assets” of the MD&A Q3 2023. The composition of supplementary financial measures included herein have been incorporated by reference from the MD&A Q3 2023 and can be found under the section “Supplementary financial measures and other disclosures” of the MD&A Q3 2023. The MD&A Q3 2023 is available on SEDAR+ at www.sedarplus.ca under the REIT’s profile.

Forward-Looking Information

This presentation contains “forward-looking information” within the meaning of applicable securities legislation in Canada, including statements regarding the REIT’s objectives and strategies to achieve those objectives; our market growth expectations; the performance strength of our portfolio; the advantages of our asset class; the expectation that our balance sheet and financial performance will support growth and distributions; our ability to grow and access growth opportunities; our intention to integrate impact and ESG practices into our business, and expected benefits, including enhanced returns; our ESG commitments and our intention to access and adopt certain ESG and impact frameworks and systems into our business; our participation in sustainability reports; our commitment to achieve net zero in Scope 1 and Scope 2 greenhouse gas emissions by 2050; our ability to enhance the desirability and sustainability of our communities by implementing property-level ESG and impact initiatives; the commencement of our energy efficient capital investments in 2023; benefits to be derived from promoting sustainable real estate that optimizes energy use, including creating resiliency against natural disasters and climate events; our intention to make our communities more inclusive; our view that our assets are located in markets with strong real estate fundamentals, the advantages of such markets, and market demand drivers; our capital allocation strategy and the expectation that it will deliver risk-adjusted returns; our ability to access investment opportunities, sell certain assets and recycle capital; our ability to execute our plans and generate returns; expectations regarding the execution of our value-add initiatives and renovation plans for our properties, including costs, return on invested capital, number of units, rent increases, and completion dates; expected 12% to 16% return on investment for our value-add initiatives, and our estimated 6.1% gain-to-lease opportunity in respect of mark-to-market rent growth; the renovation of over 400 units in 2023; regions identified as potential new markets; expected inflation protection from our short-term leases; expected mitigation of single-tenant exposure through our diverse tenant base; our expectations regarding consolidation opportunities in the residential real estate sector; and estimations, trends and targets included in industry-related data and third party sources cited in this presentation, including in respect of the economy, real estate, demographics and other matters. The forward-looking information in this presentation is presented for the purpose of providing disclosure of the current expectations of our future events or results, having regard to current plans, objectives and proposals, and such information may not be appropriate for other purposes. Forward-looking information may also include information regarding our respective future plans or objectives and other information that is not comprised of historical fact. Forward-looking information is predictive in nature and depends upon or refers to future events or conditions; as such, this presentation uses words such as “may”, “would”, “could”, “should”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “outlook”, “objective”, “forecast”, “project”, “budget”, “estimate”, “continue”, “target” and similar expressions suggesting future outcomes or events to identify forward-looking information.

Any such forward-looking information is based on information currently available to us and is based on assumptions, estimates and analyses made by us in light of our respective experiences and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. These assumptions include that the general economy remains stable, there are no unforeseen changes in the legislative and operating framework for our business, we will have access to adequate capital to fund our future projects and plans and that we will receive financing on acceptable terms; inflation and interest rates will not materially increase beyond current market expectations; and geopolitical events will not disrupt global economies. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Whether actual results and developments will conform with the expectations and predictions contained in the forward-looking information is subject to a number of risks and uncertainties, many of which are beyond our control, and the effects of which can be difficult to predict. These risks and uncertainties include, but are not limited to, global and local economic and business conditions; uncertainties surrounding the COVID-19 pandemic; risks associated with unexpected or ongoing geopolitical events; economic environment factors, including inflation and stagflation, energy costs and geopolitical issues; risks inherent in the real estate industry; financing risks; and interest and currency rate fluctuations. In evaluating any forward-looking information contained in this presentation, we caution readers not to place undue reliance on any such forward-looking information.

All forward-looking information in this presentation speaks as of the date of this presentation. The REIT does not undertake to update any such forward-looking information whether as a result of new information, future events, results, circumstances or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in the REIT’s filings with securities regulators, including its annual information form dated March 31, 2023, including under the heading “Risk Factors” therein and its latest management’s discussion and analysis. These filings are available on SEDAR+ at www.sedarplus.ca under the REIT’s profile.

Certain statements included in this presentation may be considered a “financial outlook” for purposes of applicable Canadian securities laws and, as such, the financial outlook may not be appropriate for purposes other than this presentation.

Market and Industry Data

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information, as well as industry data prepared by us or on our behalf on the basis of our knowledge of the residential rental real estate sector in which we operate (including our estimates and assumptions relating to the sector based on that knowledge). We believe that the industry data is accurate and that our estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although we believe it to be reliable, it has not been independently verified.

Dream Residential REIT

TSX:DRR.U, DRR.UN

Dream Residential Real Estate Trust (“Dream Residential REIT” or “DRR”) is an unincorporated, open-ended real estate investment trust jointly managed by Dream Unlimited Corp. (“Dream”) and Pauls Capital, LLC (“Pauls”). Our investment portfolio consists of garden-style properties primarily located in three attractive, high-growth markets across the Sunbelt and Midwest regions in the United States.



\$414.8 M

Investment Properties

3,432

Units

~22%

Joint ownership of
DRR by Dream and
Pauls

\$426.4 M

Total Assets

\$140.8 M

Total Mortgages

31.9%

Net total debt-to-net
total assets¹

*As at September 30, 2023

1 - Net total debt-to-net total assets is a non-GAAP ratio. Net total debt-to-net total assets is comprised of net total debt (a non-GAAP financial measure) and net total assets (a non-GAAP financial measure). The most directly comparable financial measure to net total debt is mortgages payable, and the most directly comparable financial measure to net total assets is total assets. For further information on this non-GAAP ratio and non-GAAP measures, please refer to the statements under the heading “Non-IFRS Measures and Industry Metrics” in this investor presentation.



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Strong Demonstrated Portfolio Performance in High-Growth Markets

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Attractive Growth Strategy and Future Outlook



Rochelle Plaza
Greater Dallas Fort-Worth, Texas



The Commons at Kettering
Greater Cincinnati Region, Ohio



Council Crossing
Greater Oklahoma City, Oklahoma



16

Garden-style assets

3,432

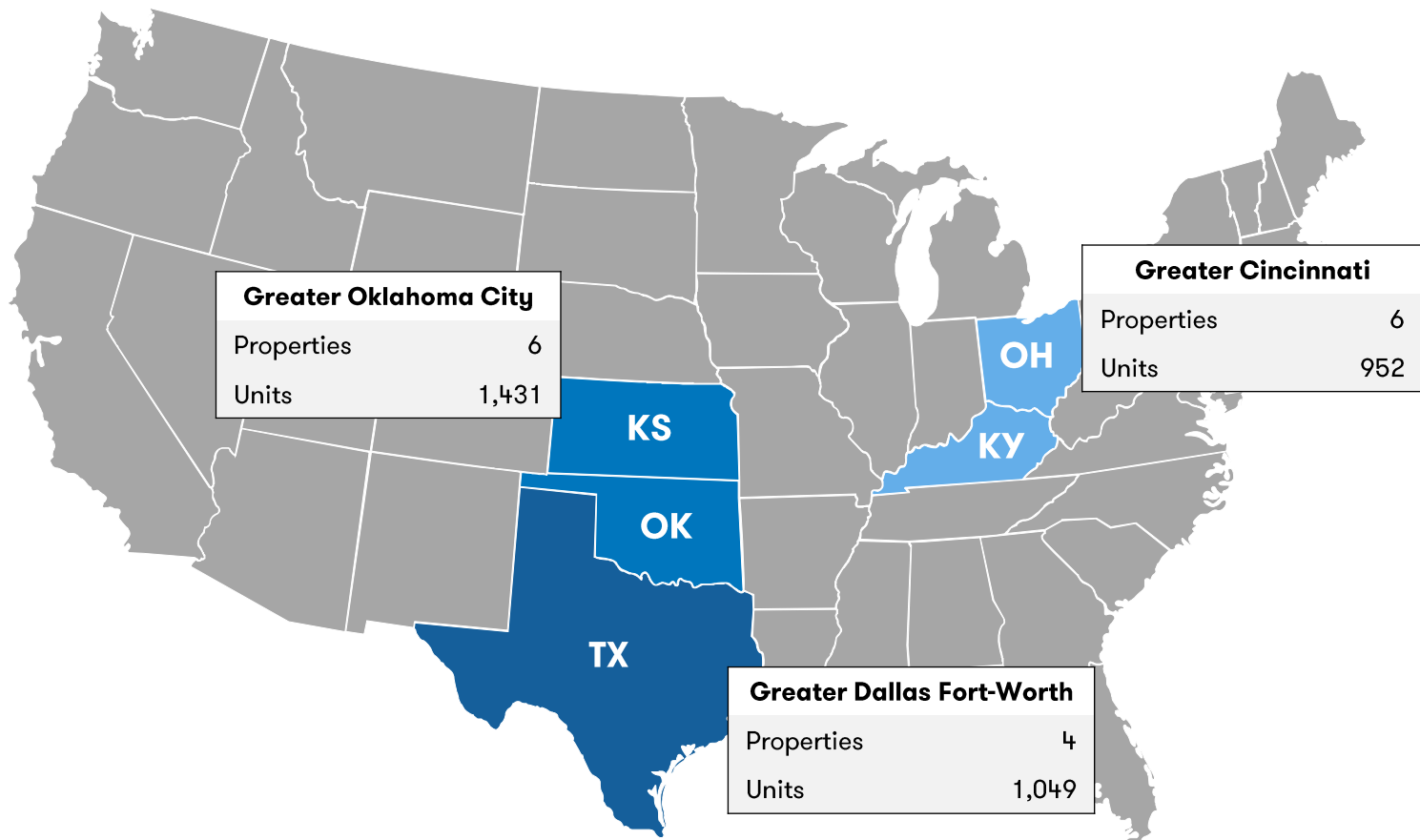
Units

93.4%

W.A. Occupancy¹

\$1,143

Average Monthly Rent¹



Strong Demonstrated Portfolio Performance in High-Growth Markets





Our Portfolio:

- 16 garden-style properties valued at \$414.8 million, comprising 3,432 units strategically located across U.S. markets
- Portfolio markets have benefitted from strong household income, and job growth

Garden-Style Properties:

- Low-rise buildings with generally lower maintenance capex compared to high-rise and mid-rise multi-residential properties
- Desirable amenities such as outdoor pools with designated barbecue grilling stations, fitness areas, clubhouses, and playgrounds
- Spacious community-oriented properties that attract middle-income households, which is the largest segment of the U.S. population



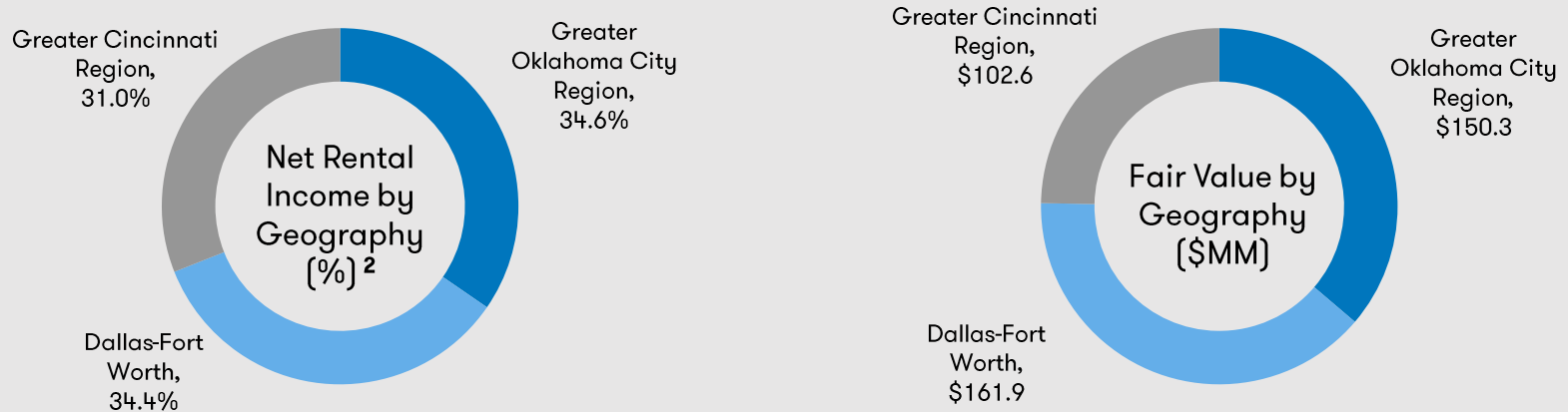


Dream Residential REIT Q3 2023 Portfolio Update

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Region ¹	Average Monthly In-Place Rent / Unit		Average \$ Rent Increase (Q/Q)	Growth % (Q/Q)	Occupancy Rate September 30, 2023
	June 30, 2023	September 30, 2023			
Greater Oklahoma City	\$985	\$995	\$10	1.0%	93.4%
Greater Dallas Fort-Worth	\$1,308	\$1,334	\$26	2.0%	90.9%
Greater Cincinnati	\$1,129	\$1,162	\$33	2.9%	96.1%
Total / Weighted Average	\$1,122	\$1,143	\$21	1.9%	93.4%

- In-place rent ended Q3 2023 at \$1,143 per suite, or \$1.29 per square foot
- Weighted average in-place rents have increased by approximately **1.9%** from June 30, 2023



¹ - The Greater Cincinnati region includes properties located in Kentucky and Ohio. The Greater Oklahoma City region includes properties located in Oklahoma and Kansas.

² - Net rental income from June 30, 2023, to September 30, 2023.



Q3 Lease Trade Outs	Q3 New	Q3 Renewals	Q3 Blend
Greater Oklahoma City	3.4%	6.5%	4.8%
Greater Dallas Fort-Worth	1.9%	6.8%	4.1%
Greater Cincinnati	6.6%	8.4%	7.7%
Total Portfolio	3.5%	7.3%	5.4%

- In Q3 2023, rental rates for new leases increased by approximately 3.5% and renewals increased by approximately 7.3%, for a blended 5.4% increase.
- Retention rate in Q3 2023 was 51.2%.

Q3 Gain-To-Lease	In-Place Rent	Market Rent	Gain-To-Lease	% GTL
Greater Oklahoma City	\$995	\$1,063	\$68	6.8%
Greater Dallas Fort-Worth	\$1,334	\$1,334	\$0	0.0%
Greater Cincinnati	\$1,162	\$1,305	\$143	12.3%
Total Portfolio	\$1,143	\$1,213	\$70	6.1%

- Market rent was \$1,213 as at September 30, 2023, resulting in a 6.1% gain-to-lease opportunity.



- Value-add plan commenced in Q2 2022 on DRR assets in the Dallas-Fort Worth Region
- Value-add operations further launched in Greater Oklahoma City in July 2022
- Additional investments made in ESG-related audits and value-add opportunities



122 units

Completed renovations across communities in the Greater Dallas-Fort Worth and Greater Oklahoma City regions in Q3 2023

400+ suites

Expected to be renovated in 2023



Organic	Mark-to-Market Rent Growth ¹	6.1% gain-to-lease opportunity
	Market Rent Growth	Benefit from future rent growth driven by strong fundamentals in our primary markets
	Value-Add Initiatives	23.5% lease trade out on renovated units in Q3 2023
External	Existing Markets	Greater Oklahoma City, Dallas Fort-Worth, and Cincinnati Regions
	Potential New Markets	Greater Carolinas and Mountain West Regions

1 - Estimated based on current market rents.

Attractive Asset Class with Favourable Fundamentals



Ashton Glen
Greater Cincinnati Region, Ohio



Consistent rent growth and absorption levels

Short-term leases offer inflation protection

Large, diverse tenant base mitigates single-tenant exposure

Defensive asset class

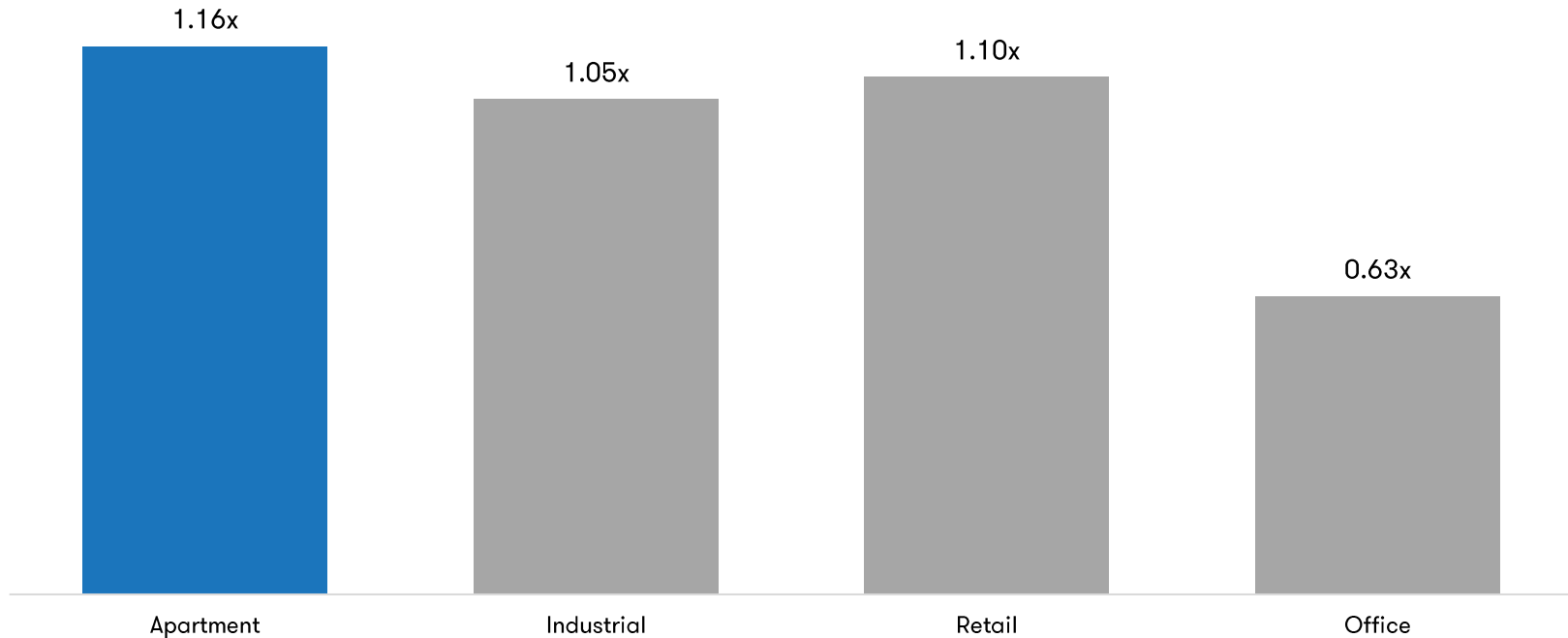
Generally has not experienced broad rent control

Fragmented and deep sector provides consolidation opportunity





Risk-Adjusted Return Multiple by Asset Class



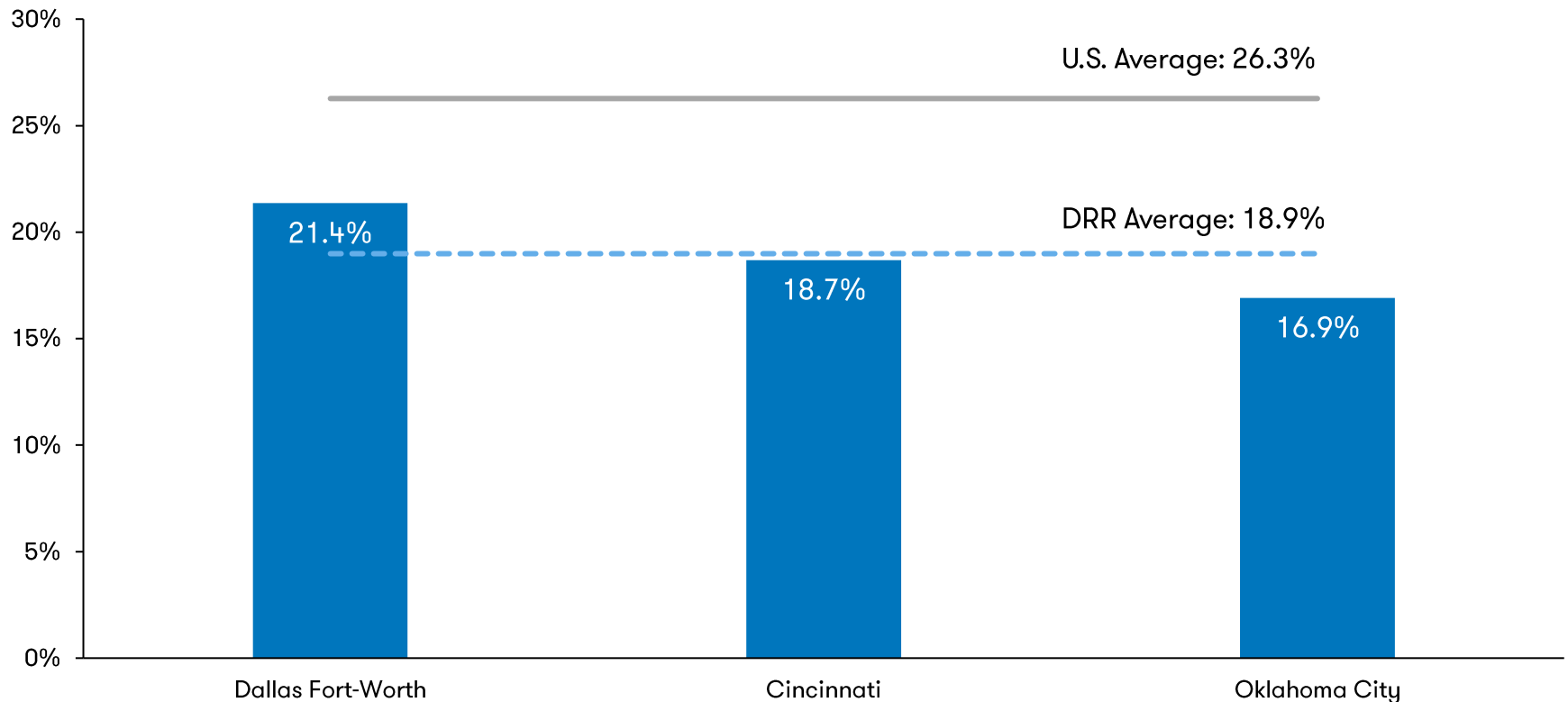
Source: NCREIF

Note: Data represents 40-year annualized figures and calculated as annualized total return divided by the standard deviation of annualized return.

Multi-residential has been the best performing risk-adjusted real estate asset class, outperforming other major real estate asset classes over the last 40 years



Annual Rent as a Percentage of Median Household Income in Q3 2023



Renters in our Primary Markets currently spend a smaller percentage of their annual income on rent compared to renters in other U.S. markets, supporting future rental rate growth

Conservative Balance Sheet to Support Growth and Distributions



Oak Place
Greater Oklahoma City Region, Oklahoma



\$6.9M

Cash and Cash Equivalents

\$70.0M

Secured Undrawn Credit Facility

100%

Interest-Only, Fixed Rate Debt¹

\$147.6M

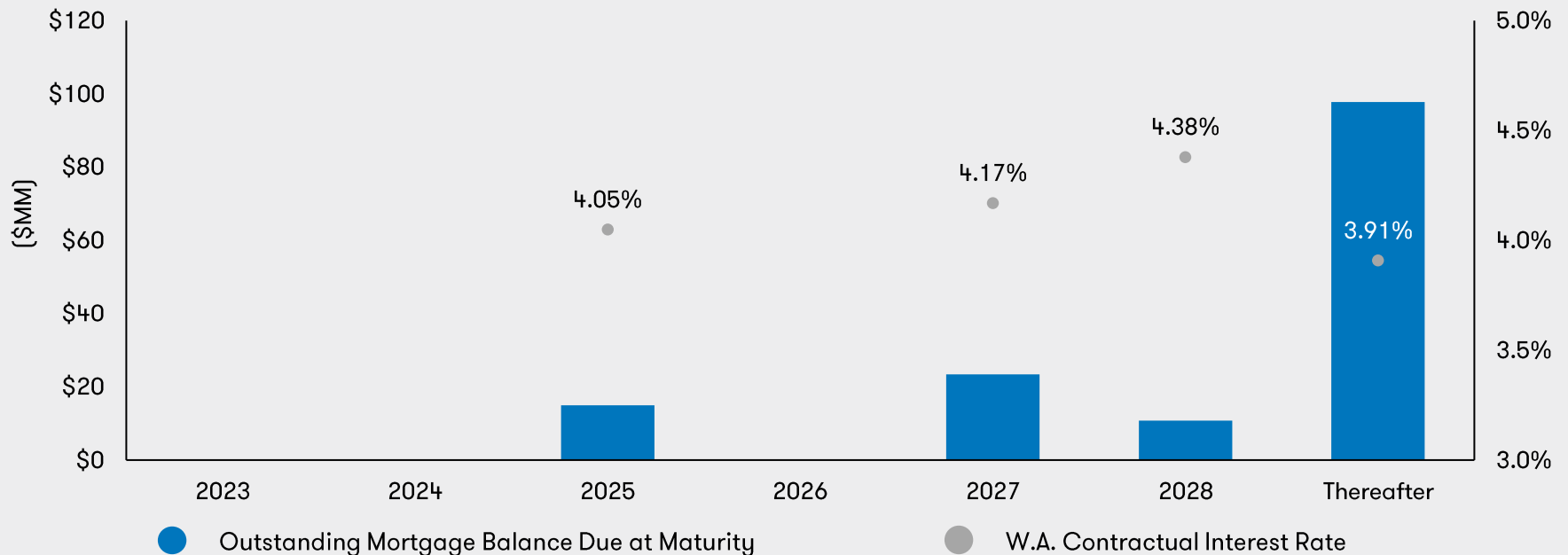
Total Mortgage Principal²

5.5 years

Mortgage Weighted Average Term to Maturity

4.00%

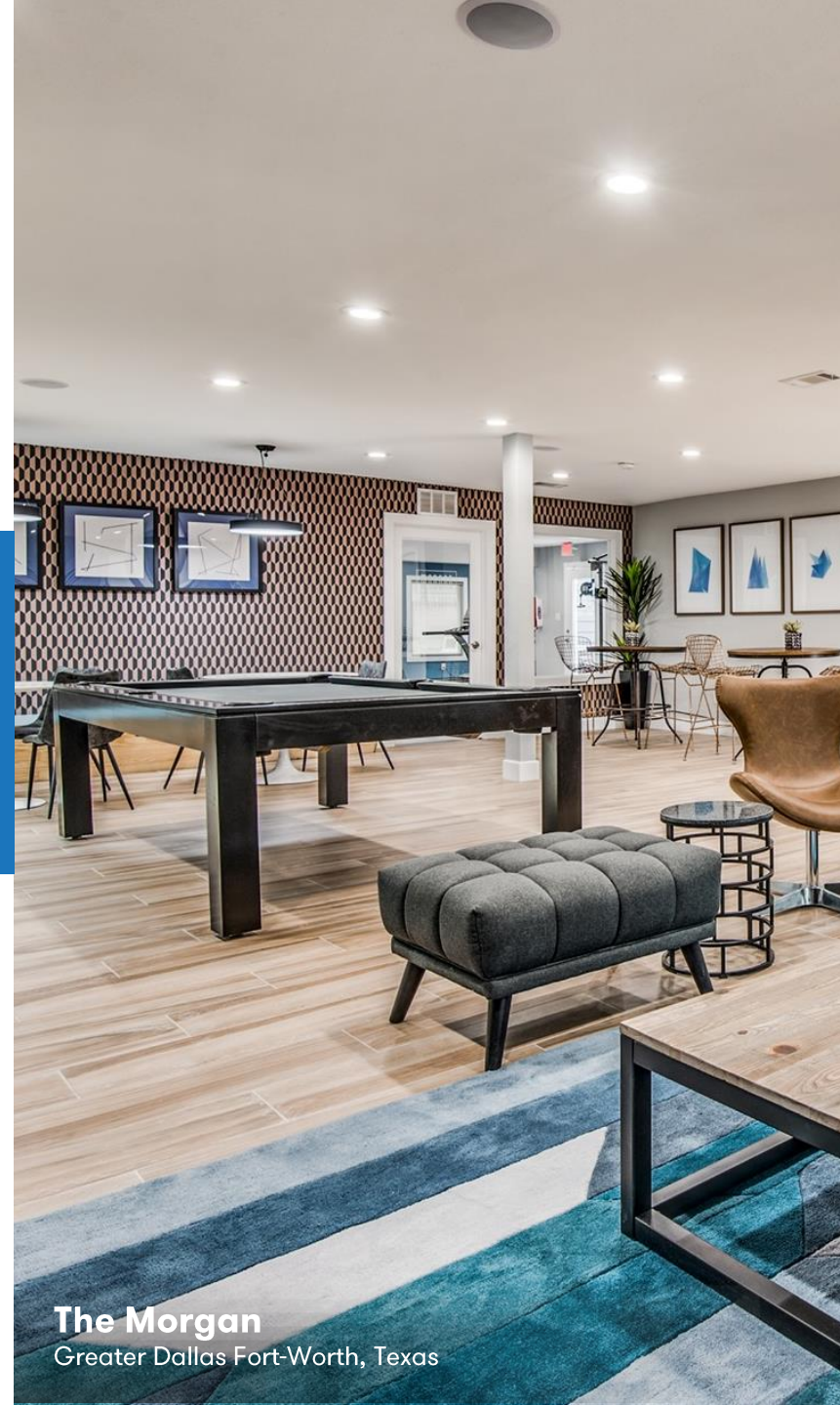
Total Weighted Average Contractual Interest Rate²



¹ - Approximately 91% of our mortgages are interest-only debt throughout their full term with two mortgages (or approximately 9%) being interest-only until amortization begins at set dates in 2025, and 2027, respectively.

² - Carrying value of mortgages as at September 30, 2023, was \$140.8 million with an effective interest rate of 5.17%

Attractive Growth Strategy and Future Outlook



The Morgan
Greater Dallas Fort-Worth, Texas



- We deploy capital into three main types of real estate investments over time
- We may selectively sell certain assets and recycle capital where we believe more attractive investment alternatives exist

	Core/Core+	Value-Add	Opportunistic
	70% of Initial Portfolio	30% of Initial Portfolio	0% of Initial Portfolio
Description	Assets with stable cash flows and upside through increasing rental rates	Assets that require capital investment to unlock additional upside potential	Assets that require significant capital investment to deliver a higher return, albeit with higher risk
Capital Investment	Low to moderate	Low to moderate	Moderate to high
Risk	Low	Moderate	High
Term	Longer term hold	Longer term hold	Shorter term hold
Investment	Within the REIT	Within the REIT	Within the REIT or alongside Dream and Pauls

We will employ a disciplined capital allocation strategy to deliver attractive risk-adjusted returns



Strategy

- Evaluate renovation program on a case-by-case basis to determine the most accretive use of funds and prioritize renovation of units with the highest rate of return
- Pursue in-unit upgrades and renovations such as vinyl plank flooring, stone countertops, energy efficient appliance upgrades, open concept floorplan, new kitchen cabinets, etc.

Execution

- Strategic planning 90+ days prior to lease expiry
- Standardized renovation "kits" streamline execution
- Vertically integrated platform with in-house capabilities
- 20 to 25 day programmed construction

Estimated Financial Metrics

- Cost: ~\$10,000 to \$20,000 per unit
- Rent increase: ~\$100 to \$240 per unit
- Return on invested capital¹: ~12% to 16%

Scope of Opportunity

- Identified ~2,300 units (~67% of the units in the Initial Portfolio) which could benefit from value-enhancing renovations over the first five years
- Targeting 400+ completed unit renovations in 2023 (122 units completed during Q3)

¹ – Estimated returns based on current market rents. ROIC is a supplementary financial measure. ROIC is calculated as the difference in new lease rent compared to rent on unimproved suites divided by estimated total cost



Rochelle Plaza, Irving, Texas

Previous Rent: \$1,282

New Lease Rent: \$1,722

Spread to Expiry: 34.3%

Estimated Total Cost: \$14,090



Rochelle – Before



Rochelle – After

Winchester Run, Oklahoma City, Oklahoma

Previous Rent: \$693

New Lease Rent: \$980

Spread to Expiry: 41.4%

Estimated Total Cost: \$16,534



Winchester – Before



Winchester – After

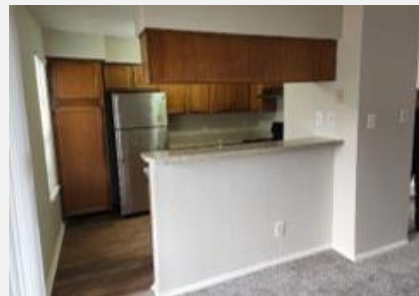
The Morgan, Bedford, Texas

Previous Rent: \$1,175

New Lease Rent: \$1,860

Spread to Expiry: 58.3%

Estimated Total Cost: \$14,875



Morgan – Before



Morgan – After

Appendix



Colt's Crossing
Georgetown, Kentucky



Brian Pauls, *Chief Executive Officer and Trustee, Dream Residential REIT*

- CEO, Dream Industrial REIT, Executive Vice President of Industrial, Dream and President of Pauls Corp LLC with over 26 years of industry experience
- Responsible for developing over eight million square feet of industrial properties in Canada and the U.S.
- Managed mixed-use real estate development through his role as President of PAULS Properties Corporation (the Canadian development company of PAULS Corp LLC), as well as President of Gateway Business Park, LLC (a 1,200-acre mixed-use business park in Denver, Colorado)



Scott Schoeman, *Chief Operating Officer, Dream Residential REIT*

- Managing Director, Multi-Residential Investments of PaulsCorp, and oversees Dream's and Pauls' U.S. multi-residential portfolio
- Experience acquiring nearly \$1 billion in U.S. multi-residential assets over the past three years and has recently managed a 32-asset portfolio consisting of 6,700 multi-residential units spanning six states
- Previously, served in the U.S. Marine Corps for 20 years and was Director of Operations, Commanding Officer, TOPGUN Training Officer, and an Executive Task Force Lead at the Pentagon; led aviation combat and training operations worldwide



Derrick Lau, *Chief Financial Officer, Dream Residential REIT*

- Vice President, Strategic Finance of Dream Unlimited Corp., with over 15 years of experience in the real estate industry
- Played a key role in the formation of Dream's private asset management business
- Prior to joining Dream, was part of the equity research team at TD Securities covering the Canadian real estate sector; previously, served as a senior manager at Deloitte LLP in its financial advisory group
- Chartered Professional Accountant, Chartered Accountant and a Chartered Business Valuator



We are committed to integrating impact and responsible ESG practices in our business.

Our Sustainalytics ESG Risk Rating score has remained “Low Risk” at 15.2.¹

Our score places us:



Top 38% of real estate investment trusts¹



Top 31% of real estate companies¹



Top 11% of all companies assessed by Sustainalytics¹

¹ – The Sustainalytics score was provided in Feb 2022 as an outcome of a Pre-IPO Corporate ESG Assessment and has remained unchanged.



We are committed to enhancing returns for our investors by creating a positive impact on the lives of our residents, employees and the communities in which we operate.

- ✓ We will leverage and benefit from Dream's dedicated ESG and impact investing platform with a 25+ year track record
 - Report to the United Nations Principles for Responsible Investment and the Net Zero Asset Managers initiative as part of Dream submissions
- ✓ Access to Dream's Impact Management System, with an initial focus on two impact verticals each aligned with certain United Nation Sustainable Development Goals:
 - Environmental Sustainability & Resilience
 - Inclusive Communities
- ✓ Adopt and incorporate the Dream Impact Management System and Dream ESG Framework in our business incrementally over time
- ✓ Committed to achieving net zero in Scope 1 and Scope 2 GHG emissions in our portfolio by 2050
- ✓ Implement property-level ESG and Impact initiatives to enhance the desirability and sustainability of our communities
- ✓ In December 2022, DRR became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD)
- ✓ Completed initial energy audits across all communities and expected to commence energy efficient capital investments in 2023.

Environmental Sustainability & Resilience



Promote sustainable real estate that optimizes energy use, limits GHG emissions and reduces water use and waste while also creating resiliency against natural disasters and major climate events.

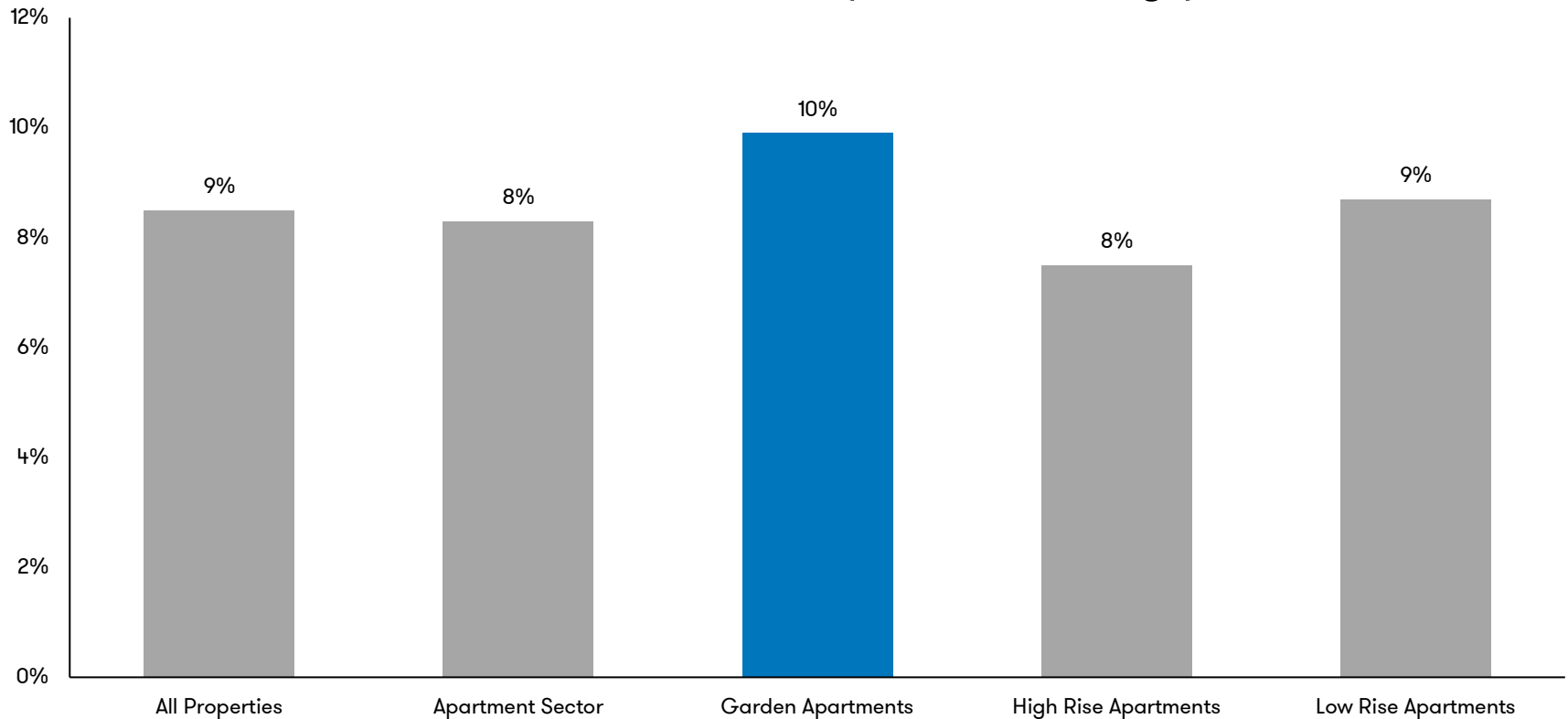
Inclusive Communities



Intentionally design and program communities that are safe and inclusive for everyone. This includes creating spaces that encourage mental and physical health and wellness.



NCREIF NPI Total Return (20 – Year Average)



Source: NCREIF

Garden style apartments have outperformed the broader real estate sector and other apartment classes over the last 20 years



	Name	Market	Category	# of Units	Year Built	Avg. Unit Size (Sq. Ft.)	Avg. Monthly In-Place Rent / Unit	Occupancy
1.	Mansions at Riverside	Tulsa, OK	Core/Core+	352	2001	971	\$1,236	92.0%
2.	Council Crossing	Bethany, OK	Value-Add	339	1975	828	\$900	90.0%
3.	Oak Place	Oklahoma City, OK	Core/Core+	240	2002	750	\$942	96.2%
4.	Winchester Run	Oklahoma City, OK	Core/Core+	192	1985	625	\$869	93.2%
5.	Aspen Village	Broken Arrow, OK	Core/Core+	176	1996	849	\$1,053	98.3%
6.	The Morgan	Bedford, TX	Core/Core+	464	1980	941	\$1,297	91.6%
7.	Ascent at Lakeworth	Fort Worth, TX	Value-Add	265	1970	935	\$1,274	88.3%
8.	Creekwood Place	Lancaster, TX	Core/Core+	200	1997	1,072	\$1,493	91.3%
9.	Rochelle Plaza	Irving, TX	Core/Core+	120	1978	886	\$1,364	93.3%
10.	The Commons	Cincinnati, OH	Core/Core+	288	1990	870	\$1,258	95.8%
11.	Maple Oaks	Middletown, OH	Value-Add	171	1974	972	\$1,085	94.2%
12.	Carriage Court	Cincinnati, OH	Core/Core+	121	1989	987	\$1,254	95.9%
13.	The Commons at Kettering	Dayton, OH	Value-Add	120	1968	888	\$996	98.3%
14.	Ashton Glen	Dayton, OH	Core/Core+	108	1997	950	\$1,205	99.1%
15.	Colts Crossing	Georgetown, KY	Core/Core+	144	1997	836	\$1,092	95.1%
16.	Forrest Grove	Wichita, KS	Value-Add	132	1983	683	\$799	94.7%
Total / Weighted Average				3,432	1986	884	\$1,143	93.4%