Interim Condensed Consolidated Financial Statements of

ARTIS REAL ESTATE INVESTMENT TRUST

Three months and nine months ended September 30, 2024 and 2023
(Unaudited)

(In Canadian dollars)

Interim Condensed Consolidated Balance Sheets

(Unaudited)

(In thousands of Canadian dollars)

	Note	September 30, 2024	December 31, 2023
ASSETS			
Non-current assets:			
Investment properties	4	$ 2,094,953	$ 2,494,134
Investment properties under development	4	2,992	947
Equity accounted investments	5	132,280	260,246
Preferred investments	6	171,197	144,084
Equity securities	8	100,200	152,002
Property and equipment		3,629	4,348
Notes receivable	9	29,859	32,428
		2,535,110	3,088,189
Current assets:			
Investment properties held for sale	4	203,335	571,760
Prepaid expenses and other assets		5,890	8,413
Notes receivable	9	8,113	14,742
Accounts receivable and other receivables	10	22,563	15,960
Cash held in trust		22,596	7,026
Cash		46,290	28,940
		308,787	646,841
Total assets		$ 2,843,897	$ 3,735,030
LIABILITIES AND UNITHOLDERS' EQUITY			
Non-current liabilities:			
Mortgages and loans payable	11	$ 501,500	$ 637,089
Senior unsecured debentures	12	—	199,630
Credit facilities	13	49,962	205,590
Deferred tax liabilities	20	276	3,310
Other long-term liabilities		2,501	1,612
		554,239	1,047,231
Current liabilities:			
Mortgages and loans payable	11	183,849	274,659
Senior unsecured debentures	12	199,835	—
Security deposits and prepaid rent		17,247	23,668
Accounts payable and other liabilities		74,784	84,566
Credit facilities	13	199,817	588,574
		675,532	971,467
Total liabilities		1,229,771	2,018,698
Unitholders' equity		1,614,126	1,716,332
Commitments, contingencies and guarantees	24		
Subsequent events	28		
Total liabilities and unitholders' equity		$ 2,843,897	$ 3,735,030

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Operations

(Unaudited)

(In thousands of Canadian dollars, except unit and per unit amounts)

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Revenue	16	$ 66,369	$ 80,412	$ 231,518	$ 254,945
Expenses:					
Property operating		23,930	24,261	72,151	75,194
Realty taxes		8,348	12,414	33,831	41,086
Total operating expenses		32,278	36,675	105,982	116,280
Net operating income		34,091	43,737	125,536	138,665
Other income (expenses):					
Interest and other income	17	12,961	8,385	30,062	23,307
Distribution income from equity securities	8	1,522	2,620	5,350	9,864
Interest expense	18	(23,030)	(29,095)	(86,295)	(89,060)
Corporate expenses		(3,281)	(1,392)	(7,565)	(4,850)
Strategic review expenses		(363)	(179)	(1,258)	(179)
Equity securities expenses	8	(149)	(205)	(491)	(707)
Net loss from equity accounted investments	5	(16,566)	(49,728)	(70,505)	(55,581)
Fair value loss on investment properties	4	(43,326)	(87,675)	(30,889)	(224,483)
Fair value gain (loss) on financial instruments	19	24,563	(22,727)	19,869	(53,931)
Foreign currency translation gain (loss)		2,035	(2,485)	(4,390)	3,052
Loss before income taxes		(11,543)	(138,744)	(20,576)	(253,903)
Income tax (expense) recovery	20	(92)	1,228	2,585	8,672
Net loss		(11,635)	(137,516)	(17,991)	(245,231)
Other comprehensive (loss) income that may be reclassified to net loss in subsequent periods:					
Unrealized foreign currency translation (loss) gain		(12,117)	24,535	24,452	(4,288)
Unrealized foreign currency translation (loss) gain on equity accounted investments		(783)	2,735	2,356	161
Net change in derivatives designed as cash flow hedges of equity accounted investments		(3,259)	1,229	(2,371)	1,229
Other comprehensive (loss) income		(16,159)	28,499	24,437	(2,898)
Total comprehensive (loss) income		$ (27,794)	$ (109,017)	$ 6,446	$ (248,129)
Basic loss per unit attributable to common unitholders	14	$ (0.14)	$ (1.29)	$ (0.26)	$ (2.26)
Diluted loss per unit attributable to common unitholders	14	(0.14)	(1.29)	(0.26)	(2.26)
Weighted-average number of common units outstanding:					
Basic	14	104,302,734	109,216,628	106,078,360	112,422,202
Diluted	14	104,302,734	109,216,628	106,078,360	112,682,756

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Unitholders' Equity

(Unaudited)

(In thousands of Canadian dollars)

	Common units capital contributions	Retained earnings (deficit)	Accumulated other comprehensive income	Contributed surplus	Total common equity	Total preferred equity	Total
Unitholders' equity, December 31, 2022	$ 1,751,927	$ (72,956)	$ 256,589	$ 87,793	$ 2,023,353	$ 205,806	$ 2,229,159
Changes for the period:							
Issuance of common units, net of issue costs (note 14)	88	—	—	—	88	—	88
Units acquired and cancelled through normal course issuer bid (note 14)	(113,456)	—	—	62,444	(51,012)	(12,698)	(63,710)
Units acquired through normal course issuer bid, not cancelled at period end (note 14)	—	—	—	62	62	(215)	(153)
Net loss	—	(245,231)	—	—	(245,231)	—	(245,231)
Other comprehensive loss	—	—	(2,898)	—	(2,898)	—	(2,898)
Distributions		(59,595)	—	—	(59,595)	—	(59,595)
Unitholders' equity, September 30, 2023	1,638,559	(377,782)	253,691	150,299	1,664,767	192,893	1,857,660
Changes for the period:							
Issuance of common units, net of issue costs (note 14)	25	—	—	—	25	—	25
Units acquired and cancelled through normal course issuer bid (note 14)	—	—	—	387	387	(1,206)	(819)
Net loss	—	(86,837)	—	—	(86,837)	—	(86,837)
Other comprehensive loss	—	—	(29,433)	—	(29,433)	—	(29,433)
Distributions	—	(24,264)	—	—	(24,264)	—	(24,264)
Unitholders' equity, December 31, 2023	1,638,584	(488,883)	224,258	150,686	1,524,645	191,687	1,716,332
Changes for the period:							
Issuance of common units, net of issue costs (note 14)	60	—	—	—	60	—	60
Units acquired and cancelled through normal course issuer bid (note 14)	(74,002)	—	—	45,578	(28,424)	(15,286)	(43,710)
Units acquired through normal course issuer bid, not cancelled at period end (note 14)	(1,518)	—	—	734	(784)	(97)	(881)
Unit buyback tax (note 14)	—	—	—	(660)	(660)	—	(660)
Net loss	—	(17,991)	—	—	(17,991)	—	(17,991)
Other comprehensive income	—	—	24,437	—	24,437	—	24,437
Distributions	—	(63,461)	—	—	(63,461)	—	(63,461)
Unitholders' equity, September 30, 2024	$ 1,563,124	$ (570,335)	$ 248,695	$ 196,338	$ 1,437,822	$ 176,304	$ 1,614,126

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited)

(In thousands of Canadian dollars)

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Cash provided by (used in):					
Operating activities:					
Net loss		$ (11,635)	$ (137,516)	$ (17,991)	$ (245,231)
Adjustments for:					
Interest income on preferred investments received in-kind	6	(11,844)	(7,731)	(27,113)	(21,681)
Distribution income from equity securities	8	(1,522)	(2,620)	(5,350)	(9,864)
Net loss from equity accounted investments	5	16,566	49,728	70,505	55,581
Fair value loss on investment properties	4	43,326	87,675	30,889	224,483
Fair value (gain) loss on financial instruments	19	(24,563)	22,727	(19,869)	53,931
Unrealized foreign currency translation (gain) loss		1,657	3,200	8,122	(464)
Deferred taxes	20	(86)	(1,295)	(3,041)	(9,196)
Other items not affecting cash	21	9,056	6,281	24,123	19,044
Changes in non-cash operating items	21	5,666	7,606	(4,558)	6,111
		26,621	28,055	55,717	72,714
Investing activities:					
Acquisition of investment properties, net of related debt		—	—	(24,072)	—
Proceeds from dispositions of investment properties, net of costs and related debt		445,108	3,267	669,490	215,260
Additions to investment properties		(3,863)	(7,630)	(13,453)	(17,378)
Additions to investment properties under development		(1,565)	(15,004)	(7,389)	(28,237)
Additions to tenant inducements and leasing commissions		(10,149)	(14,869)	(25,886)	(34,966)
Contributions to equity accounted investments		(6)	(16)	(48,349)	(603)
Distributions from equity accounted investments		1,070	1,017	2,715	2,973
Purchases of equity securities		—	(1,125)	(15,651)	(1,125)
Proceeds from disposition of equity securities, net of costs		62,657	14,359	91,155	134,030
Distributions from equity securities		1,780	2,685	5,809	10,568
Additions to property and equipment		—	—	(414)	(376)
Issuances of notes receivable		(355)	(40)	(784)	(222)
Notes receivable principal repayments		259	222	10,737	7,252
Deposits on investment properties held for sale		500	—	500	—
Change in cash held in trust		(14,732)	3,985	(15,474)	894
		480,704	(13,149)	628,934	288,070
Financing activities:					
Repayment of mortgages and loans payable		(5,301)	(70,773)	(31,514)	(180,760)
Advance of mortgages and loans payable, net of financing costs		(19)	38,413	24,324	293,422
Repayment of senior unsecured debentures		—	(250,000)	—	(250,000)
Advance of revolving credit facilities		139,552	387,002	267,188	604,482
Repayment of revolving credit facilities, including financing costs		(586,109)	(86,206)	(818,715)	(639,002)
Repayment of non-revolving credit facilities, including financing costs		—	—	(114)	(50,180)
Repayment of lease liabilities		(84)	(81)	(250)	(238)
Purchase of common units under normal course issuer bid	14	(11,905)	(11,749)	(33,046)	(54,305)
Purchase of preferred units under normal course issuer bid	14	(2,969)	(2,666)	(11,545)	(9,558)
Distributions paid on common units		(15,653)	(16,385)	(53,926)	(59,850)
Distributions paid on preferred units		(3,267)	(3,218)	(10,047)	(9,223)
		(485,755)	(15,663)	(667,645)	(355,212)
Foreign exchange (loss) gain on cash held in foreign currency		(293)	486	344	(12)
Increase (decrease) in cash		21,277	(271)	17,350	5,560
Cash, beginning of period		25,013	34,999	28,940	29,168
Cash, end of period		$ 46,290	$ 34,728	$ 46,290	$ 34,728

See accompanying notes to interim condensed consolidated financial statements.

(In thousands of Canadian dollars, except unit and per unit amounts)

Note 1. Organization

Artis Real Estate Investment Trust (the "REIT") is an unincorporated closed-end real estate investment trust created under, and governed by, the laws of the Province of Manitoba. The REIT was created pursuant to the Declaration of Trust dated November 8, 2004, as most recently amended and restated on December 19, 2021 (the "Declaration of Trust"). The REIT's vision is to become a best-in-class real estate asset management and investment platform focused on growing net asset value per unit and distributions for its investors through value investing. The REIT owns, manages, leases and develops industrial, office, retail and residential properties in Canada and the United States (the "U.S."), and holds other real estate investments. The registered office of the REIT is 600 - 220 Portage Avenue, Winnipeg, Manitoba, R3C 0A5.

The Declaration of Trust provides that the REIT may make cash distributions to common unitholders of the REIT. The amount distributed annually (currently $0.60 per common unit) is set by the Board of Trustees. The amounts distributed annually to the preferred unitholders are $1.7995 per Series E Unit and $1.74825 per Series I Unit.

Note 2. Material accounting policy information

(a) Basis of presentation and measurement:

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - *Interim Financial Reporting*. Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed.

These interim condensed consolidated financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2023, except for those policies and standards adopted as described in note 2 (c). The REIT has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These interim condensed consolidated financial statements have been prepared on a going concern basis and have been presented in Canadian dollars rounded to the nearest thousand dollars unless otherwise indicated.

These interim condensed consolidated financial statements should be read in conjunction with the REIT's consolidated financial statements for the year ended December 31, 2023.

(b) Use of estimates and judgments:

The preparation of the interim condensed consolidated financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The critical accounting estimates and judgments have been set out in note 2 to the REIT's consolidated financial statements for the year ended December 31, 2023. There have been no changes to the critical accounting estimates and judgments during the nine months ended September 30, 2024.

(c) New or revised accounting standards adopted during the period:

In January 2020, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. In October 2022, the IASB issued further amendments to IAS 1 that clarify only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current and specify additional disclosures requirements. The amendments had no impact on the interim condensed consolidated financial statements.

Note 3. Acquisitions and dispositions of investment properties

Acquisitions:

On June 20, 2024, the REIT acquired an additional 50% interest in Kincaid Building, an office property located in the Greater Vancouver Area, B.C. Prior to the acquisition date, the REIT owned 50% of this investment property classified as a joint operation and recorded its proportionate share of the assets, liabilities, revenues, expenses and cash flows. As a result of this acquisition, the REIT owns 100% of the property and accounts for it on a consolidated basis. The REIT accounted for this acquisition as an asset purchase with no remeasurement of its existing 50% interests. The results of operations of the 50% acquired interest are included in the REIT's accounts from the date of acquisition.

On February 22, 2024, the REIT acquired an additional 5% interest in Park 8Ninety V, an industrial property located in the Greater Houston Area, Texas. Prior to the acquisition date, the REIT owned 95% of this investment property and the property was classified as a joint venture and accounted for using the equity method. As a result of this acquisition, the REIT owns 100% of the property and accounts for it on a consolidated basis. The REIT accounted for this acquisition as a step acquisition and remeasured its existing 95% interests to fair value at the acquisition date. The acquisition of the interest in Park 8Ninety V has been accounted for using the acquisition method, with the results of operations included in the REIT's accounts from the date of acquisition.

The REIT did not acquire any properties during the nine months ended September 30, 2023.

The net assets acquired were as follows:

	Nine months ended September 30, 2024	2023
Investment properties	$ 27,810	$ —
Long-term debt, including acquired above- and below-market mortgages, net of financing costs	(3,602)	—
Other net liabilities	(136)	—
Cash consideration	$ 24,072	$ —

Dispositions:

The REIT disposed of the following properties during the nine months ended September 30, 2024:

Property	Property count	Location	Disposition date	Asset class
Pembina Village Shopping Centre	1	Winnipeg, MB	January 5, 2024	Retail
500 Berry Street	1	Winnipeg, MB	January 11, 2024	Industrial
CDI College Building	1	Winnipeg, MB	February 16, 2024	Office
8309 Greenway & 8313 Greenway	2	Madison, WI	April 1, 2024	Office
Recipe Unlimited Building	1	Greater Toronto Area, ON	April 8, 2024	Office
Poco Place	1	Greater Vancouver Area, BC	April 9, 2024	Office
Johnston Terminal	1	Winnipeg, MB	April 12, 2024	Office
Sunridge Pointe	1	Calgary, AB	May 30, 2024	Retail
2190 McGillivray	1	Winnipeg, MB	June 14, 2024	Retail
Crowfoot Corner	1	Calgary, AB	June 17, 2024	Retail
Shoppes of St. Vital	1	Winnipeg, MB	June 19, 2024	Retail
Linden Ridge Shopping Centre I & II	2	Winnipeg, MB	June 24, 2024	Retail
Park 8Ninety Portfolio	5	Greater Houston Area, TX	July 11, 2024	Industrial
Arizona & Minnesota Industrial Portfolio	9	Greater Phoenix Area, AZ & Twin Cities Area, MN	August 9, 2024	Industrial
Hudson's Bay Centre	1	Greater Denver Area, CO	September 30, 2024	Office
Bell MTS Portfolio[1]	2	Winnipeg, MB	September 30, 2024	Office

(1) Disposition includes a surface parking lot.

On June 4, 2024, the REIT disposed of a parcel of retail development land located in Winnipeg, Manitoba.

The cash proceeds from the sale of the above properties, net of costs and related debt, were $690,649. In conjunction with the sale of a retail property, the REIT also received a note receivable in the amount of $5,000, which is secured by the property sold (see note 9). The assets and liabilities associated with the properties were derecognized.

The REIT disposed of the following properties during the nine months ended September 30, 2023:

Property	Property count	Location	Disposition date	Asset class
North 48 Commercial Centre	1	Saskatoon, SK	March 14, 2023	Office
Liberton Square	1	Greater Edmonton Area, AB	April 19, 2023	Retail
Gateway Power Centre	1	Grande Prairie, AB	May 15, 2023	Retail
Visions Building	1	Calgary, AB	May 29, 2023	Retail
Namao South	1	Edmonton, AB	May 30, 2023	Retail
Clearwater Creek Distribution Center	1	Twin Cities Area, MN	June 7, 2023	Industrial
Eagle Creek	1	Twin Cities Area, MN	June 16, 2023	Industrial
St. Vital Square	1	Winnipeg, MB	June 16, 2023	Retail
Minnesota Industrial Portfolio II	6	Twin Cities Area, MN	June 27, 2023	Industrial
EMC Building	1	Edmonton, AB	September 29, 2023	Office

On June 9, 2023, the REIT disposed of a parcel of office development land located in Madison, Wisconsin.

The cash proceeds received from the sale of the above properties, net of costs and related debt, were $215,260. The assets and liabilities associated with the properties were derecognized.

Note 4. Investment properties, investment properties under development and investment properties held for sale

			Nine months ended September 30, 2024
	Investment properties	Investment properties under development	Investment properties held for sale
Balance, beginning of period	$ 2,494,134	$ 947	$ 571,760
Additions:			
Acquisition (note 3)	27,810	—	—
Reclassification from equity accounted investments [1]	100,867	—	—
Capital expenditures	12,569	6,398	449
Capitalized interest [2]	—	79	—
Leasing commissions	4,485	5	444
Straight-line rent adjustments	254	—	416
Tenant inducement additions, net of amortization	(880)	12	2,735
Dispositions	—	—	(926,863)
Foreign currency translation gain	34,222	13	2,313
Fair value loss	(5,114)	—	(25,775)
Reclassification of investment properties under development	3,803	(3,803)	—
Reclassification of investment properties held for sale	(577,197)	(659)	577,856
Balance, end of period	$ 2,094,953	$ 2,992	$ 203,335

(1) On February 22, 2024, the REIT increased its ownership interest in Park 8Ninety V to 100%. See note 3 for further information.

(2) During the nine months ended September 30, 2024, interest was capitalized to investment properties under development at a weighted-average effective rate of 6.76%.

	Year ended December 31, 2023		
	Investment properties	Investment properties under development	Investment properties held for sale
Balance, beginning of year	$ 3,156,206	$ 191,552	$ 335,813
Additions:			
Capital expenditures	24,881	26,870	318
Capitalized interest (1)	—	2,770	—
Leasing commissions	5,112	1,851	165
Straight-line rent adjustments	1,816	—	738
Tenant inducement additions, net of amortization	11,199	984	795
Dispositions	—	—	(310,921)
Foreign currency translation loss	(36,809)	(501)	(1,712)
Fair value loss	(277,054)	(37,563)	(29,669)
Reclassification of investment properties under development	156,285	(156,285)	—
Reclassification of investment properties held for sale	(547,502)	(28,731)	576,233
Balance, end of year	$ 2,494,134	$ 947	$ 571,760

(1) During the year ended December 31, 2023, interest was capitalized to investment properties under development at a weighted-average effective rate of 6.87%.

The REIT had three industrial properties, two office properties, two retail properties, one parkade and two parcels of development land classified as investment properties held for sale that were actively marketed for sale or under unconditional or conditional sale agreements at September 30, 2024 (December 31, 2023, two industrial properties, 10 office properties, 16 retail properties, one parking lot and one parcel of development land). The properties held for sale had an aggregate mortgage payable balance of $80,338 at September 30, 2024 (December 31, 2023, $134,895). This balance is not accounted for as held for sale but is included in current liabilities as the REIT intends to repay the mortgages upon disposition of the related investment properties.

At September 30, 2024, included in investment properties was $38,979 (December 31, 2023, $47,834) of net straight-line rent receivables arising from the recognition of rental income on a straight-line basis over the lease term.

At September 30, 2024, investment properties with a fair value of $1,095,529 (December 31, 2023, $1,499,840) were pledged as security under mortgage agreements.

Investment properties held for sale include right-of-use assets held under a lease with an aggregate fair value of $12,981 at December 31, 2023. The lease payments required under this lease were fully paid at the time of acquisition of the property. This property was sold during the nine months ended September 30, 2024.

The REIT obtains external valuations for a selection of properties representing various geographical regions and asset classes across its portfolio. For the nine months ended September 30, 2024, properties (including the REIT's ownership interest in properties held in equity accounted investments except for those held in Iris Acquisition II LP) with an appraised value of $564,571 (year ended December 31, 2023, $788,506), were appraised by qualified external valuation professionals. The REIT uses similar assumptions and valuation techniques in its internal valuations as used by the external valuation professionals. Internal valuations are performed by the REIT's valuations team who report directly to the Chief Financial Officer. The valuations processes and results are reviewed by management on a quarterly basis.

The REIT determines the fair value of investment properties based upon either the discounted cash flow method or the overall capitalization method. Under the discounted cash flow method, expected future cash flows are discounted using an appropriate rate based on the risk of the property. Expected future cash flows for each investment property are based upon, but not limited to, rental income from current leases, budgeted and actual expenses, and assumptions about rental income from future leases. The REIT uses leasing history, market reports, tenant profiles and building assessments, among other things, in determining the most appropriate assumptions. Discount and capitalization rates are estimated using market surveys, available appraisals and market comparables. Under the overall capitalization method, year one net income is stabilized and capitalized at a rate appropriate for each investment property. The stabilized net income incorporates allowances for vacancy, management fees and structural repair reserves. The resulting capitalized value is further adjusted, where appropriate, for costs to stabilize the net income and non-recoverable capital expenditures. There were no changes to the REIT's internal valuation methodology during the nine months ended September 30, 2024 and the year ended December 31, 2023.

A change in the discount or capitalization rates used could have a material impact on the fair value of the REIT's investment properties. When discount or capitalization rates compress, the estimated fair values of investment properties increase. When discount or capitalization rates expand, the estimated fair values of investment properties decrease. A change in estimated future rental income and expenses could have a material impact on the fair value of the REIT's investment properties. Estimated rental income and expenses are affected by, but not limited to, changes in rent and expense growth and occupancy rates.

Under the fair value hierarchy, the fair value of the REIT's investment properties is considered Level 3, as described in note 27.

The REIT has used the following rates and investment horizons in estimating the fair value of investment properties:

	September 30, 2024			December 31, 2023		
	Maximum	Minimum	Weighted-average	Maximum	Minimum	Weighted-average
Canada:						
Discount rate	9.50 %	5.25 %	7.54 %	9.75 %	5.25 %	7.47 %
Terminal capitalization rate	9.00 %	4.25 %	6.57 %	9.00 %	4.25 %	6.49 %
Capitalization rate	8.75 %	4.00 %	6.52 %	9.00 %	4.25 %	6.46 %
Investment horizon (years)	11.0	10.0	10.2	12.0	10.0	10.3
U.S.:						
Discount rate	10.25 %	7.75 %	9.06 %	10.25 %	6.75 %	8.48 %
Terminal capitalization rate	9.25 %	6.75 %	8.06 %	8.75 %	6.00 %	7.52 %
Capitalization rate	9.75 %	6.50 %	8.09 %	9.00 %	5.50 %	7.49 %
Investment horizon (years)	12.0	10.0	10.6	11.0	10.0	10.4
Total portfolio:						
Discount rate	10.25 %	5.25 %	8.12 %	10.25 %	5.25 %	7.89 %
Terminal capitalization rate	9.25 %	4.25 %	7.13 %	9.00 %	4.25 %	6.92 %
Capitalization rate	9.75 %	4.00 %	7.13 %	9.00 %	4.25 %	6.89 %
Investment horizon (years)	12.0	10.0	10.4	12.0	10.0	10.3

The above information represents the REIT's entire portfolio of investment properties, excluding properties held in the REIT's equity accounted investments.

Note 5. Equity accounted investments

The REIT has the following equity accounted investments:

			Ownership interest	
	Principal purpose	Location	September 30, 2024	December 31, 2023
Associates:				
Iris Acquisition II LP ("Iris")	Investment in Cominar Real Estate Investment Trust	Various cities, QC	32.64 %	32.64 %
Park Lucero East	Investment property	Greater Phoenix Area, AZ	10.00 %	10.00 %
Joint ventures:				
Park 8Ninety V (1)	Investment property	Greater Houston Area, TX	— %	95.00 %
Corridor Park	Investment property	Greater Houston Area, TX	90.00 %	90.00 %
Graham Portfolio	Investment property	Various cities, AB/BC/SK	75.00 %	75.00 %
The Point at Inverness	Investment property	Greater Denver Area, CO	50.00 %	50.00 %
ICE LP	Investment in Iris Acquisition II LP	—	50.00 %	50.00 %
ICE II LP	Investment in the asset manager of Cominar Real Estate Investment Trust	—	50.00 %	50.00 %

(1) During the nine months ended September 30, 2024, the REIT increased its ownership interest in this property to 100%. See note 3 for further information.

During the nine months ended September 30, 2024, the REIT contributed $48,349 to Park 8Ninety V, Corridor Park, The Point at Inverness, ICE LP and ICE II LP equity accounted investments. Included in the amount was $39,001 contributed to Park 8Ninety V for the repayment of the mortgage in the joint venture prior to the acquisition of the additional 5% interest (see note 3).

The REIT is contingently liable for the obligations of certain associates and joint ventures. As at September 30, 2024, the co-owners' share of mortgage liabilities was $56,040 (December 31, 2023, $55,254). Management has assessed that the assets available from its associates and joint ventures are sufficient for the purpose of satisfying such obligations.

Summarized financial information of the REIT's share in its equity accounted investments is as follows:

	September 30, 2024				December 31, 2023			
	Iris	Other associate	Joint ventures	Total	Iris	Other associate	Joint ventures	Total
Non-current assets:								
Investment properties	$ 606,639	$ —	$ 132,748	$ 739,387	$ 641,906	$ 11,181	$ 228,928	$ 882,015
Other non-current assets	9,972	—	540	10,512	16,845	—	1,073	17,918
Current assets:								
Investment properties held for sale	22,540	12,075	—	34,615	14,738	—	—	14,738
Other current assets	9,450	223	3,926	13,599	9,133	317	8,251	17,701
Total assets	648,601	12,298	137,214	798,113	682,622	11,498	238,252	932,372
Non-current liabilities:								
Mortgages, loans and other debt	464,351	—	—	464,351	491,946	—	26,852	518,798
Current liabilities:								
Mortgages, loans and other debt	131,235	5,217	27,148	163,600	78,158	4,864	39,236	122,258
Other current liabilities	33,619	383	3,880	37,882	24,250	184	6,636	31,070
Total liabilities	629,205	5,600	31,028	665,833	594,354	5,048	72,724	672,126
REIT's share of net assets of equity accounted investments	$ 19,396	$ 6,698	$ 106,186	$ 132,280	$ 88,268	$ 6,450	$ 165,528	$ 260,246

	Three months ended September 30, 2024				Three months ended September 30, 2023			
	Iris	Other associate	Joint ventures	Total	Iris	Other associate	Joint ventures	Total
Revenue	$ 19,669	$ 229	$ 2,786	$ 22,684	$ 22,189	$ 175	$ 5,080	$ 27,444
Operating expenses	10,153	29	1,219	11,401	11,444	74	1,785	13,303
Net operating income	9,516	200	1,567	11,283	10,745	101	3,295	14,141
Fair value (loss) gain on investment properties	(3,396)	102	748	(2,546)	(30,949)	(454)	(7,334)	(38,737)
Other expenses and income, net	(25,035)	(99)	(169)	(25,303)	(24,143)	(102)	(887)	(25,132)
Net (loss) income from equity accounted investments	$ (18,915)	$ 203	$ 2,146	$ (16,566)	$ (44,347)	$ (455)	$ (4,926)	$ (49,728)

	Nine months ended September 30, 2024				Nine months ended September 30, 2023			
	Iris	Other associate	Joint ventures	Total	Iris	Other associate	Joint ventures	Total
Revenue	$ 60,319	$ 694	$ 10,122	$ 71,135	$ 71,625	$ 260	$ 13,300	$ 85,185
Operating expenses	32,382	97	4,466	36,945	37,766	92	5,293	43,151
Net operating income	27,937	597	5,656	34,190	33,859	168	8,007	42,034
Fair value (loss) gain on investment properties	(30,529)	(171)	(9,047)	(39,747)	(39,908)	(935)	13,572	(27,271)
Other expenses and income, net	(63,907)	(284)	(757)	(64,948)	(67,758)	(278)	(2,308)	(70,344)
Net (loss) income from equity accounted investments	$ (66,499)	$ 142	$ (4,148)	$ (70,505)	$ (73,807)	$ (1,045)	$ 19,271	$ (55,581)

Iris is a material associate of the REIT. The summarized financial information of Iris on a 100% basis is presented below with reconciliations to the REIT's carrying amount of its share of investment in Iris and net loss from Iris.

	September 30, 2024	December 31, 2023
Amounts in Iris's financial statements at 100%:		
Non-current assets	$ 1,889,129	$ 2,018,233
Current assets	98,004	73,131
Non-current liabilities	(1,422,644)	(1,507,188)
Current liabilities	(504,692)	(313,696)
Net assets	59,797	270,480
REIT's ownership percentage	32.64 %	32.64 %
REIT's share of net assets in Iris	$ 19,396	$ 88,268

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Amounts in Iris's financial statements at 100%:				
Revenue	$ 60,257	$ 67,979	$ 184,797	$ 219,440
Operating expenses	(31,105)	(35,062)	(99,208)	(115,704)
Other expenses and income, net	(87,104)	(168,783)	(289,326)	(329,860)
Net loss	(57,952)	(135,866)	(203,737)	(226,124)
REIT's ownership percentage	32.64 %	32.64 %	32.64 %	32.64 %
REIT's share of net loss from Iris	$ (18,915)	$ (44,347)	$ (66,499)	$ (73,807)

Note 6. Preferred investments

The REIT's investments in the junior preferred units of Iris are as follows:

	Nine months ended September 30, 2024	Year ended December 31, 2023
Balance, beginning of period	$ 144,084	$ 114,184
In-kind units received through distributions	27,113	29,900
Balance, end of period	$ 171,197	$ 144,084

During the three and nine months ended September 30, 2024, the REIT received income from preferred investments of $11,844 and $27,113 (2023, $7,731 and $21,681) comprised of in-kind junior preferred units (note 17).

Note 7. Joint operations

The REIT has interests in the following joint operations:

			Ownership interest	
Property	Location	Principal purpose	September 30, 2024	December 31, 2023
Cliveden Building	Greater Vancouver Area, BC	Investment property	50.00 %	50.00 %
Kincaid Building (1)	Greater Vancouver Area, BC	Investment property	— %	50.00 %

(1) During the nine months ended September 30, 2024, the REIT increased its ownership interest in this property to 100%. See note 3 for further information.

The REIT includes its proportionate share of the assets, liabilities, revenues, expenses and cash flows of the joint operations in these consolidated financial statements.

The REIT was contingently liable for the obligations of the Kincaid Building joint operation. As at December 31, 2023, the co-owner's share of mortgage liabilities was $3,769. After acquisition of the co-owner's interest in the property on June 20, 2024, the REIT assumed 100% of the related mortgage liabilities.

Note 8. Equity securities

The REIT invests in equity securities of publicly-traded Canadian real estate entities. The equity securities are measured at fair values using quoted market prices in active markets.

	Nine months ended September 30, 2024	Year ended December 31, 2023
Balance, beginning of period	$ 152,002	$ 316,768
Purchases	15,651	1,125
Dispositions	(91,583)	(134,029)
Fair value gain (loss) (note 19)	24,130	(31,862)
Balance, end of period	$ 100,200	$ 152,002

For the three and nine months ended September 30, 2024, the REIT earned distribution income of $1,522 and $5,350 (2023, $2,620 and $9,864) and incurred commissions, service and professional fees of $149 and $491 (2023, $205 and $707), inclusive of services fees paid to Sandpiper (note 22).

Note 9. Notes receivable

		September 30, 2024		December 31, 2023
Note receivable, maturing in November, 2028, bearing interest at an effective rate of 8.967% per annum, interest-only quarterly payment until maturity, secured by an office property.	$	14,089	$	13,283
Note receivable, maturing in January 2028, bearing interest at an effective rate of 3.086% per annum, interest-only monthly payment until maturity, secured by an office property.		10,326		10,312
Note receivable, bore interest at 5.00% per annum, secured by an office property, fully repaid in January 2024.		—		10,033
Note receivable, maturing in January 2027, bearing interest at an effective rate of 8.00% per annum, interest-only monthly payment until maturity, secured by a retail property.		5,029		—
Note receivable from tenant, maturing in November 2031, bearing interest at 8.50% per annum, repayable in blended monthly installments of $68 (US$50).		4,358		4,584
Note receivable, maturing in November 2024, bearing interest at 4.00% per annum, accrued interest and principal due on maturity, secured by a parcel of land.		3,853		3,666
Other notes receivable		317		5,292
		37,972		47,170
Current portion		8,113		14,742
Non-current portion	$	29,859	$	32,428

Note 10. Accounts receivable and other receivables

		September 30, 2024		December 31, 2023
Rents receivable	$	6,015	$	5,017
Deferred rents receivable		174		194
Allowance for doubtful accounts		(2,189)		(2,102)
Accrued recovery income		2,481		3,141
Other receivables and accrued income		16,082		9,710
	$	22,563	$	15,960

Refer to note 26 for further discussion on credit risk and allowance for doubtful accounts.

Note 11. Mortgages and loans payable

		September 30, 2024		December 31, 2023
Mortgages and loans payable	$	687,958	$	916,321
Financing costs		(2,609)		(4,573)
		685,349		911,748
Current portion		183,849		274,659
Non-current portion	$	501,500	$	637,089

Certain of the REIT's investment properties have been pledged as security under mortgages and other security agreements. As at September 30, 2024, 30.4% of the REIT's mortgages and loans payable bear interest at fixed rates (December 31, 2023, 29.1%), and a further 35.9% of the REIT's mortgages and loans payable bear interest at variable rates with interest rate swaps in place (December 31, 2023, 26.9%). The weighted-average effective rate on all mortgages and loans payable was 7.09% and the weighted-average nominal rate was 6.48% at September 30, 2024 (December 31, 2023, 6.63% and 6.17%, respectively). Maturity dates range from November 27, 2024 to June 1, 2031.

The REIT's mortgage providers have various financial covenants. The REIT monitors these covenants, which are primarily debt service coverage ratios. Mortgages and loans payable with maturities within 12 months or are payable on demand as a result of a financial covenant breach are classified as current liabilities.

Note 12. Senior unsecured debentures

Particulars of the REIT's outstanding senior unsecured debentures are as follows:

Senior unsecured debenture issue	Issue date	Maturity date	Applicable interest rate
Series E	April 29, 2022	April 29, 2025	5.600 %

	Face value	Unamortized financing costs	Carrying value	Current portion	Non-current portion
Series E	$ 200,000	$ (165)	$ 199,835	$ 199,835	$ —
September 30, 2024	$ 200,000	$ (165)	$ 199,835	$ 199,835	$ —
December 31, 2023	200,000	(370)	199,630	—	199,630

On April 29, 2022, the REIT issued 5.600% Series E senior unsecured debentures for gross proceeds of $200,000. Interest is payable semi-annually on October 29 and April 29 in each year. These debentures are redeemable, at the option of the REIT, at a price equal to the greater of (i) the Canada Yield Price (as defined in the supplemental indenture) and (ii) par. The debentures rank equally with all other indebtedness of the REIT.

During the three and nine months ended September 30, 2024, financing cost amortization of $70 and $205 (2023, $151 and $471) was recorded.

Interest expense on the senior unsecured debentures is determined by applying the effective interest rate to the outstanding liability balance. The difference between actual cash interest payments and interest expense is an accretion to the liability.

In accordance with the Series E senior unsecured debenture supplemental indenture, the REIT must maintain various financial covenants. As at September 30, 2024, the REIT was in compliance with these requirements.

Note 13. Credit facilities

The REIT's unsecured credit facilities are summarized as follows:

		September 30, 2024		December 31, 2023		
	Borrowing capacity	Amounts drawn	Available to be drawn [1]	Amounts drawn	Available to be drawn	Applicable interest rates
Revolving facilities maturing December 14, 2024	$ 400,000	$ —	$ 400,000	$ 338,873	$ 61,127	Adjusted CORRA plus 1.70% or prime plus 0.70% or adjusted SOFR plus 1.70% or U.S. base rate plus 0.70%
Revolving facility maturing April 29, 2025	280,000	—	280,000	205,808	74,192	Adjusted CORRA plus 1.70% or prime plus 0.70% or adjusted SOFR plus 1.70% or U.S. base rate plus 0.70%
Non-revolving facility maturing February 6, 2026	100,000	100,000	—	100,000	—	Adjusted CORRA plus 1.70% or prime plus 0.70%
Non-revolving facility maturing October 18, 2024	150,000	150,000	—	150,000	—	Adjusted CORRA plus 1.70% or prime plus 0.70%
Financing costs		(221)		(517)		
Total credit facilities	$ 930,000	$ 249,779	$ 680,000	$ 794,164	$ 135,319	
Current portion		199,817		588,574		
Non-current portion		$ 49,962		$ 205,590		

(1) Under the terms of the revolving credit facilities, the REIT must maintain a minimum unencumbered property assets to consolidated unsecured indebtedness ratio of 1.4. As at September 30, 2024, the total borrowing capacity of the revolving credit facilities was limited to $445,500 by this covenant (December 31, 2023, not limited).

The unsecured revolving term credit facilities in the aggregate amount of $680,000 can be utilized for general corporate and working capital purposes, short-term financing of investment property acquisitions and the issuance of letters of credit. The REIT can draw on the facilities in Canadian or US dollars.

All non-revolving credit facilities can be utilized for general corporate and working capital purposes, property acquisitions and development financing. On February 6, 2024, the REIT entered into an amended agreement to extend the maturity date of the $100,000 non-revolving credit facility to February 6, 2026 (with $50,000 to be repaid on or before February 6, 2025), at an interest rate of adjusted CORRA plus 1.70% or prime plus 0.70%. On June 28, 2024, the REIT entered into an amended agreement to extend the maturity date of the $150,000 non-revolving credit facility to October 18, 2024 at an interest rate of adjusted CORRA plus 1.70% or prime plus 0.70%. Refer to note 28 for further amended agreement subsequent to September 30, 2024.

For purposes of the credit facilities, the REIT must maintain various financial covenants. As at September 30, 2024, the REIT was in compliance with these requirements.

Note 14. Unitholders' equity

(a) Common units:

(i) Authorized:

In accordance with the Declaration of Trust, the REIT may issue an unlimited number of common units, with each unit representing an equal undivided interest in any distributions from the REIT and in the net assets in the event of termination or wind-up of the REIT. All units are of the same class with equal rights and restrictions.

(ii) Issued and outstanding:

	Number of units		Amount
Balance at December 31, 2022	115,409,234	$	1,751,927
Restricted units redeemed	15,506		113
Units acquired and cancelled through normal course issuer bid	(7,473,874)		(113,456)
Balance at December 31, 2023	107,950,866		1,638,584
Restricted units redeemed	9,109		60
Units acquired and cancelled through normal course issuer bid	(4,875,324)		(74,002)
Units acquired through normal course issuer bid, not cancelled at period end	(100,000)		(1,518)
Balance at September 30, 2024	102,984,651	$	1,563,124

(b) Preferred units:

In accordance with the Declaration of Trust, the REIT may issue an unlimited number of preferred units. Particulars of the REIT's outstanding preferred units are as follows:

	Series E	Series I	Total
Number of units outstanding at December 31, 2022	3,605,110	4,896,740	8,501,850
Units acquired and cancelled through normal course issuer bid	(357,101)	(226,700)	(583,801)
Number of units outstanding at December 31, 2023	3,248,009	4,670,040	7,918,049
Units acquired and cancelled through normal course issuer bid	(294,100)	(337,484)	(631,584)
Units acquired through normal course issuer bid, not cancelled at period end	(1,600)	(2,400)	(4,000)
Number of units outstanding at September 30, 2024	2,952,309	4,330,156	7,282,465

The carrying value of the REIT's outstanding preferred units are as follows:

		Series E		Series I		Total
Annual distribution rate		7.198%		6.993%		
Distribution rate reset date		September 30, 2028		April 30, 2028		
Carrying value at December 31, 2022	$	87,006	$	118,800	$	205,806
Units acquired and cancelled through normal course issuer bid		(8,618)		(5,501)		(14,119)
Carrying value at December 31, 2023		78,388		113,299		191,687
Units acquired and cancelled through normal course issuer bid		(7,098)		(8,188)		(15,286)
Units acquired through normal course issuer bid, not cancelled at period end		(39)		(58)		(97)
Carrying value at September 30, 2024	$	71,251	$	105,053	$	176,304
Face value at September 30, 2024	$	73,808	$	108,254	$	182,062
Face value at December 31, 2023		81,200		116,751		197,951

The REIT may redeem the Series E Units and Series I Units on the respective distribution rate reset date and every five years thereafter. The holders of the Series E Units and Series I Units have the right to reclassify their Units into Series F Units and Series J Units, respectively, on the distribution rate reset date and every five years thereafter.

The Series E Units and Series I Units rank equally with each other and with the outstanding Series F Units and Series J Units into which they may be reclassified, and rank in priority to the common units.

(c) Normal course issuer bid:

On December 15, 2023, the REIT announced that the Toronto Stock Exchange ("TSX") approved the renewal of its normal course issuer bid ("NCIB"). Under the renewed bid, the REIT has the ability to purchase for cancellation up to a maximum of 10% of the REIT's public float of common units and preferred units as at December 6, 2023 as follows:

	Public float	10% of public float
Common units	70,212,966	7,021,296
Preferred unit series:		
Series E	3,243,009	324,300
Series I	4,575,540	457,554

Purchases will be made at market prices through the facilities of the TSX and/or alternative Canadian trading systems and all common units and preferred units acquired by the REIT under this bid will be cancelled. This bid will remain in effect until the earlier of December 18, 2024, or the date on which the REIT has purchased the maximum number of units permitted under the bid. During the nine months ended September 30, 2024, the REIT acquired 4,975,324 common units at market prices aggregating $33,046, resulting in contributed surplus of $42,474, which was the excess of stated capital over redemption proceeds. During the nine months ended September 30, 2024, the REIT also acquired 295,700 and 339,884 Series E and I Units, respectively, at market prices aggregating $11,545, resulting in contributed surplus of $3,838, which was the excess of stated capital over redemption proceeds.

During the year ended December 31, 2023, the REIT acquired 7,473,874 common units at market prices aggregating $54,305, resulting in contributed surplus of $59,151, which was the excess of stated capital over redemption proceeds. During the year ended December 31, 2023, the REIT also acquired 357,101 and 226,700 Series E and I Units, respectively, at market prices aggregating $10,377, resulting in contributed surplus of $3,742, which was the excess of stated capital over redemption proceeds.

The Government of Canada has introduced the 2% equity buyback tax that applies to a covered entity's net equity repurchases occurring on or after January 1, 2024. The definition of covered entity includes publicly listed real estate investment trusts. For the nine months ended September 30, 2024, the REIT accrued the unit buyback tax on the net purchases of common units as a reduction of contributed surplus.

(e) Weighted-average common units:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net loss	$ (11,635)	$ (137,516)	$ (17,991)	$ (245,231)
Adjustment for distributions to preferred unitholders (note 15)	(3,235)	(3,162)	(9,779)	(9,354)
Net loss attributable to common unitholders	(14,870)	(140,678)	(27,770)	(254,585)
Adjustment for restricted units	—	—	—	—
Adjustment for deferred units	—	—	—	(635)
Diluted net loss attributable to common unitholders	$ (14,870)	$ (140,678)	$ (27,770)	$ (255,220)
The weighted-average number of common units outstanding was as follows:				
Basic common units	104,302,734	109,216,628	106,078,360	112,422,202
Effect of dilutive securities:				
Restricted units	—	—	—	—
Deferred units	—	—	—	260,554
Diluted common units	104,302,734	109,216,628	106,078,360	112,682,756
Net loss per unit attributable to common unitholders:				
Basic	$ (0.14)	$ (1.29)	$ (0.26)	$ (2.26)
Diluted	(0.14)	(1.29)	(0.26)	(2.26)

The computation of diluted net loss per unit attributable to common unitholders includes restricted units and deferred units when these instruments are dilutive. For the three and nine months ended September 30, 2024, restricted units and deferred units were anti-dilutive, for an aggregate total of 1,041,629 and 951,694 units, respectively. For the three and nine months ended September 30, 2023, restricted units and deferred units were anti-dilutive, for an aggregate total of 767,685 units. For the nine months ended September 30, 2023, restricted units were anti-dilutive, for an aggregate total of 437,958 units.

Note 15. Distributions to unitholders

Total distributions declared to unitholders were as follows:

	Three months ended September 30, 2024		Three months ended September 30, 2023	
	Total distributions	Distributions per unit	Total distributions	Distributions per unit
Common unitholders	$ 15,574	$ 0.15	$ 16,293	$ 0.15
Preferred unitholders - Series E	1,329	0.45	1,117	0.34
Preferred unitholders - Series I	1,906	0.44	2,045	0.44

	Nine months ended September 30, 2024		Nine months ended September 30, 2023	
	Total distributions	Distributions per unit	Total distributions	Distributions per unit
Common unitholders	$ 47,514	$ 0.45	$ 50,241	$ 0.45
Preferred unitholders - Series E	4,071	1.35	3,470	1.03
Preferred unitholders - Series I	5,708	1.31	5,884	1.23

Note 16. Revenue

The REIT's revenue is made up of the following significant categories:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Base rent	$ 44,356	$ 52,329	$ 150,278	$ 165,997
Operating cost and realty tax recoveries	25,311	30,300	84,497	96,484
Other revenue	2,594	2,747	14,267	8,245
Tenant inducements amortized to revenue	(6,192)	(6,026)	(19,201)	(18,418)
Straight-line rent adjustments	(125)	714	670	2,045
Lease termination income	425	348	1,007	592
	$ 66,369	$ 80,412	$ 231,518	$ 254,945

Refer to note 23 for a disaggregation of revenue by reportable geographical region.

During the nine months ended September 30, 2024, included in other revenue is a performance-based development fee. The amount of the performance-based development fee is variable as it is dependent on the fair value of a specific property upon sale. The REIT recognizes revenue subject to variable consideration only to the extent that it is highly probable that a significant amount of the revenue recognized will not reverse in a future period.

Note 17. Interest and other income

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Interest on junior preferred units of Iris (note 6)	$ 11,844	$ 7,731	$ 27,113	$ 21,681
Interest on notes receivable	889	376	2,267	1,114
Other	228	278	682	512
	$ 12,961	$ 8,385	$ 30,062	$ 23,307

Note 18. Interest expense

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Interest on mortgages and loans payable	$ 11,915	$ 12,880	$ 40,615	$ 34,683
Interest on senior unsecured debentures	2,815	4,882	8,385	15,161
Interest on credit facilities	7,580	10,698	34,937	37,306
Amortization of above- and below-market mortgages, net	—	(230)	—	(694)
Amortization of financing costs	720	865	2,358	2,604
	$ 23,030	$ 29,095	$ 86,295	$ 89,060

Note 19. Fair value gain (loss) on financial instruments

The REIT recorded gains (losses) on the following:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Interest rate swaps	$ (6,689)	$ (1,069)	$ (4,261)	$ (3,550)
Other derivatives	—	197	—	(292)
Equity securities (note 8)	31,252	(21,855)	24,130	(50,089)
	$ 24,563	$ (22,727)	$ 19,869	$ (53,931)

Note 20. Income taxes

The Income Tax Act (Canada) contains legislations affecting the tax treatment of a specified investment flow-through ("SIFT") trust or partnership (the "SIFT Rules"). A SIFT includes a publicly-listed or traded partnership or trust, such as an income trust.

Under the SIFT Rules, certain distributions from a SIFT are not deductible in computing a SIFT's taxable income, and a SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. However, distributions paid by a SIFT as returns of capital should generally not be subject to tax.

The SIFT Rules do not apply to a REIT that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"). The REIT has reviewed the SIFT Rules and has assessed their interpretation and application to the REIT's assets and revenues. While there are uncertainties in the interpretation and application of the SIFT Rules, the REIT believes that it has met the REIT Conditions throughout the nine months ended September 30, 2024 and the year ended December 31, 2023.

The REIT is subject to corporate income taxes in Canada and the U.S. through its Canadian subsidiary that holds the investment in Iris and its U.S. management subsidiary.

Income tax recovery (expense) comprised of:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Current income tax expense	$ (178)	$ (67)	$ (456)	$ (524)
Deferred income tax recovery	86	1,295	3,041	9,196
Income tax (expense) recovery	$ (92)	$ 1,228	$ 2,585	$ 8,672

The tax effects of temporary differences that give rise to the deferred tax liabilities are presented below:

	September 30, 2024	December 31, 2023
Equity accounted investment	$ —	$ 2,993
Property and equipment	221	287
Other	55	30
Deferred tax liabilities	$ 276	$ 3,310

Note 21. Supplemental cash flow information

(a) Other items not affecting cash:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Tenant inducements amortized to revenue	$ 6,192	$ 6,026	$ 19,201	$ 18,418
Straight-line rent adjustments	125	(714)	(670)	(2,045)
Depreciation of property and equipment	283	314	875	915
Unit-based compensation	1,736	20	2,359	(154)
Amortization of above- and below-market mortgages, net	—	(230)	—	(694)
Amortization of financing costs included in interest expense	720	865	2,358	2,604
	$ 9,056	$ 6,281	$ 24,123	$ 19,044

(b) Changes in non-cash operating items:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Prepaid expenses and other assets	2,860	2,873	$ 1,240	$ (5,047)
Accounts receivable and other receivables	(2,380)	2,515	(4,904)	1,851
Security deposits and prepaid rent	(4,493)	338	(6,782)	(886)
Accounts payable and other liabilities	9,679	1,880	5,888	10,193
	$ 5,666	$ 7,606	$ (4,558)	$ 6,111

(c) Other supplemental cash flow information:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Interest paid	$ 18,053	$ 29,535	$ 80,637	$ 87,248
Interest received	986	614	2,660	1,554
Income taxes paid	238	252	497	563

Note 22. Related party transactions

Sandpiper Asset Management Inc. ("Sandpiper") is a related party by virtue of being a company under joint control of the President and Chief Executive Officer of the REIT.

The REIT has a Space Sharing Licence Agreement with Sandpiper for use of certain office premises. The agreement has an automatic one-year extension unless terminated by either party upon written notice no later than 120 days before the end of the term or extension term.

The REIT entered into a Services Agreement with Sandpiper to provide certain services to support the REIT's strategy to acquire ownership positions in publicly-listed real estate entities. The annual fee payable to Sandpiper is 0.50% for years one to three, 0.40% for year four, and 0.30% for year five and thereafter, based on the net value of the investments made by the REIT pursuant to this agreement. The agreement was effective May 17, 2021 and continues until termination by either party upon 60-day written notice, or upon other specific circumstances.

Fees paid and accrued to Sandpiper were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Space sharing licence costs	$ 33	$ 32	$ 98	$ 95
Service fees	149	204	482	892
	$ 182	$ 236	$ 580	$ 987

Amounts payable to Sandpiper were $160 as at September 30, 2024 (December 31, 2023, $171).

As at September 30, 2024, the REIT had a balance payable to ICE II LP of $514 (December 31, 2023, $987).

Note 23. Segmented information

The REIT owns and operates properties located in Canada and the U.S., through direct ownership and equity accounted investments. These properties are managed and reported internally by country. The segmented information for Canada and U.S. presented below includes the REIT's proportionate share of revenue, expenses, assets and liabilities of investment properties held in equity accounted investments which were set up to develop and operate specific investment properties. Other income (expenses), including interest expense relating to senior unsecured debentures and credit facilities, interest income from notes receivables not related to owned investment properties, distribution income from equity securities and fair value gain (loss) on financial instruments, have not been allocated to the segments. In addition, the REIT's investments in Iris Acquisition II LP, ICE LP and ICE II LP ("Iris Entities" - see note 5) are considered separately by executive management and evaluated based on the distributions received. Accordingly, the investments in Iris Entities are not allocated to the segments.

					Three months ended September 30, 2024
	Canada	U.S.	REIT (1)	Equity accounted investment properties adjustment (2)	Total
Revenue	$ 32,143	$ 37,244	$ (3)	$ (3,015)	$ 66,369
Expenses:					
Property operating	11,294	13,464	—	(828)	23,930
Realty taxes	4,306	4,462	—	(420)	8,348
Total operating expenses	15,600	17,926	—	(1,248)	32,278
Net operating income	16,543	19,318	(3)	(1,767)	34,091
Other income (expenses):					
Interest and other income	31	402	12,540	(12)	12,961
Distribution income from equity securities	—	—	1,522	—	1,522
Interest expense	(5,684)	(6,895)	(10,795)	344	(23,030)
Corporate expenses	—	—	(3,281)	—	(3,281)
Strategic review expenses	—	—	(363)	—	(363)
Equity securities expenses	—	—	(149)	—	(149)
Net loss from equity accounted investments	—	—	(18,851)	2,285	(16,566)
Fair value gain (loss) on investment properties	5,519	(47,995)	—	(850)	(43,326)
Fair value gain on financial instruments	—	—	24,563	—	24,563
Foreign currency translation gain	—	—	2,035	—	2,035
Income (loss) before income taxes	16,409	(35,170)	7,218	—	(11,543)
Income tax expense	—	(92)	—	—	(92)
Net income (loss)	$ 16,409	$ (35,262)	$ 7,218	$ —	$ (11,635)
Additions to investment properties, investment properties under development and investment properties held for sale	$ 2,823	$ 2,923	$ —	$ (691)	$ 5,055
Additions to tenant inducements	1,644	7,504	—	(371)	8,777
Additions to leasing commissions	597	858	—	(83)	1,372

(1) Includes corporate expenses. interest relating to senior unsecured debentures and credit facilities, distribution income from equity securities, fair value gain (loss) on financial instruments and income (loss) from Iris Entities that are not allocated to the segments.

(2) Adjustment for the REIT's proportionate share of revenue, expenses, assets and liabilities of investment properties held in equity accounted investments, excluding Iris Entities.

	Three months ended September 30, 2023				
	Canada	U.S.	REIT [1]	Equity accounted investment properties adjustment [2]	Total
Revenue	$ 38,660	$ 46,945	$ 62	$ (5,255)	$ 80,412
Expenses:					
Property operating	11,795	13,623	—	(1,157)	24,261
Realty taxes	5,844	7,272	—	(702)	12,414
Total operating expenses	17,639	20,895	—	(1,859)	36,675
Net operating income	21,021	26,050	62	(3,396)	43,737
Other income (expenses):					
Interest and other income	36	139	8,221	(11)	8,385
Distribution income from equity securities	—	—	2,620	—	2,620
Interest expense	(5,046)	(9,314)	(15,985)	1,250	(29,095)
Corporate expenses	—	—	(1,392)	—	(1,392)
Strategic initiative expenses	—	—	(179)	—	(179)
Equity securities expenses	—	—	(205)	—	(205)
Net (loss) income from equity accounted investments	—	—	(44,097)	(5,631)	(49,728)
Fair value loss on investment properties	(36,998)	(58,465)	—	7,788	(87,675)
Fair value loss on financial instruments	—	—	(22,727)	—	(22,727)
Foreign currency translation loss	—	—	(2,485)	—	(2,485)
Loss before income taxes	(20,987)	(41,590)	(76,167)	—	(138,744)
Income tax (expense) recovery	—	(195)	1,423	—	1,228
Net loss	$ (20,987)	$ (41,785)	$ (74,744)	$ —	$ (137,516)
Additions to investment properties, investment properties under development and investment properties held for sale	$ 12,210	$ 10,796	$ —	$ (69)	$ 22,937
Additions to tenant inducements	2,379	11,402	—	(217)	13,564
Additions to leasing commissions	178	1,274	—	(147)	1,305

(1) Includes corporate expenses. interest relating to senior unsecured debentures and credit facilities, distribution income from equity securities, fair value gain (loss) on financial instruments and income (loss) from Iris Entities that are not allocated to the segments.

(2) Adjustment for the REIT's proportionate share of revenue, expenses, assets and liabilities of investment properties held in equity accounted investments, excluding Iris Entities.

	Nine months ended September 30, 2024				
	Canada	U.S.	REIT [1]	Equity accounted investment properties adjustment [2]	Total
Revenue	$ 106,379	$ 135,968	$ (13)	$ (10,816)	$ 231,518
Expenses:					
Property operating	35,582	39,483	—	(2,914)	72,151
Realty taxes	15,972	19,508	—	(1,649)	33,831
Total operating expenses	51,554	58,991	—	(4,563)	105,982
Net operating income	54,825	76,977	(13)	(6,253)	125,536
Other income (expenses):					
Interest and other income	106	746	29,250	(40)	30,062
Distribution income from equity securities	—	—	5,350	—	5,350
Interest expense	(17,460)	(25,726)	(44,640)	1,531	(86,295)
Corporate expenses	—	—	(7,565)	—	(7,565)
Strategic review expenses	—	—	(1,258)	—	(1,258)
Equity securities expenses	—	—	(491)	—	(491)
Net loss from equity accounted investments	—	—	(66,049)	(4,456)	(70,505)
Fair value loss on investment properties	(12,577)	(27,530)	—	9,218	(30,889)
Fair value gain on financial instruments	—	—	19,869	—	19,869
Foreign currency translation loss	—	—	(4,390)	—	(4,390)
Income (loss) before income taxes	24,894	24,467	(69,937)	—	(20,576)
Income tax (expense) recovery	—	(408)	2,993	—	2,585
Net income (loss)	$ 24,894	$ 24,059	$ (66,944)	$ —	$ (17,991)
Acquisitions of investment properties	$ 22,500	$ 5,310	$ —	$ —	$ 27,810
Additions to investment properties, investment properties under development and investment properties held for sale	11,402	17,868	—	(9,854)	19,416
Additions to tenant inducements	4,188	18,332	—	(1,568)	20,952
Additions to leasing commissions	1,445	3,684	—	(195)	4,934

	September 30, 2024				
	Canada	U.S.	REIT	Equity accounted investment properties adjustment [2]	Total
Total assets	$ 1,361,166	$ 1,141,161	$ 377,839	$ (36,269)	$ 2,843,897
Total liabilities	420,778	356,208	489,046	(36,261)	1,229,771

(1) Includes corporate expenses. interest relating to senior unsecured debentures and credit facilities, distribution income from equity securities, fair value gain (loss) on financial instruments and income (loss) from Iris Entities that are not allocated to the segments.

(2) Adjustment for the REIT's proportionate share of revenue, expenses, assets and liabilities of investment properties held in equity accounted investments, excluding Iris Entities.

	Nine months ended September 30, 2023				
	Canada	U.S.	REIT [(1)]	Equity accounted investment properties adjustment [(2)]	Total
Revenue	$ 123,061	$ 145,431	$ 13	$ (13,560)	$ 254,945
Expenses:					
Property operating	37,956	40,511	—	(3,273)	75,194
Realty taxes	18,988	24,210	—	(2,112)	41,086
Total operating expenses	56,944	64,721	—	(5,385)	116,280
Net operating income	66,117	80,710	13	(8,175)	138,665
Other income (expenses):					
Interest and other income	78	432	22,829	(32)	23,307
Distribution income from equity securities	—	—	9,864	—	9,864
Interest expense	(12,002)	(26,609)	(53,805)	3,356	(89,060)
Corporate expenses	—	—	(4,850)	—	(4,850)
Strategic initiative expenses	—	—	(179)	—	(179)
Equity securities expenses	—	—	(707)	—	(707)
Net loss from equity accounted investments	—	—	(73,069)	17,488	(55,581)
Fair value loss on investment properties	(63,388)	(148,458)	—	(12,637)	(224,483)
Fair value loss on financial instruments	—	—	(53,931)	—	(53,931)
Foreign currency translation gain	—	—	3,052	—	3,052
Income (loss) before income taxes	(9,195)	(93,925)	(150,783)	—	(253,903)
Income tax (expense) recovery	—	(651)	9,323	—	8,672
Net loss	$ (9,195)	$ (94,576)	$ (141,460)	$ —	$ (245,231)
Additions to investment properties, investment properties under development and investment properties held for sale	$ 24,832	$ 19,534	$ —	$ (1,125)	$ 43,241
Additions to tenant inducements	5,380	26,129	—	(2,082)	29,427
Additions to leasing commissions	958	9,764	—	(5,183)	5,539

	December 31, 2023				
	Canada	U.S.	REIT	Equity accounted investment properties adjustment [(2)]	Total
Total assets	$ 1,677,136	$ 1,694,198	$ 440,481	$ (76,785)	$ 3,735,030
Total liabilities	487,100	563,064	1,045,303	(76,769)	2,018,698

(1) Includes corporate expenses. interest relating to senior unsecured debentures and credit facilities, distribution income from equity securities, fair value gain (loss) on financial instruments and income (loss) from Iris Entities that are not allocated to the segments.

(2) Adjustment for the REIT's proportionate share of revenue, expenses, assets and liabilities of investment properties held in equity accounted investments, excluding Iris Entities.

Note 24. Commitments, contingencies and guarantees

(a) Unconditional sale agreements:

The REIT entered into unconditional agreements to sell an industrial property in Greater Houston Area, Texas, an industrial property in the Greater Edmonton Area, Alberta, a retail property in Calgary, Alberta, and a retail property in Saskatoon, Saskatchewan for an aggregate sale price of approximately $113,000 with expected closings in the remainder of 2024 and the first quarter of 2025.

(b) Contingencies:

The REIT performs an assessment of legal and tax proceedings and claims which have occurred or could occur as a result of ongoing operations. In the opinion of management and based on the information available, any liability that may arise from such contingencies in excess of existing accruals would not have a material adverse effect on the interim condensed consolidated financial statements.

(c) Guarantees:

At September 30, 2024, the REIT has guaranteed certain debt assumed by purchasers in connection with the dispositions of two properties (December 31, 2023, two properties). These guarantees will remain until the debt is modified, refinanced or extinguished. Credit risk arises in the event that the purchasers default on repayment of their debt since it is guaranteed by the REIT. This credit risk is mitigated as the REIT has recourse under these guarantees in the event of default by the purchasers, in which case the REIT would have a claim against the underlying properties. The estimated amount of debt subject to the guarantees at September 30, 2024 was $53,306 (December 31, 2023, $54,741), with an estimated weighted-average remaining term of 2.2 years (December 31, 2023, 2.9 years). Management has assessed the estimated fair values of the borrowers' interests in the underlying properties compared to the mortgage balances and the risk of default by the borrowers and determined that a provision is not required to be recognized in the interim condensed consolidated financial statements.

Note 25. Capital management

The REIT's objectives when managing capital are to safeguard the ability to continue as a going concern and to generate sufficient returns to provide unitholders with stable cash distributions. The REIT defines capital as mortgages and loans payable, senior unsecured debentures, credit facilities and unitholders' equity.

The REIT's Declaration of Trust permits the REIT to incur indebtedness, provided that after giving effect to incurring or assuming any indebtedness (as defined in the Declaration of Trust), the amount of such indebtedness of the REIT is not more than 70% of the gross book value of the REIT's total assets. As at September 30, 2024, the ratio of indebtedness to gross book value was 39.8% (December 31, 2023, 50.9%), which is consistent with the REIT's objectives. Gross book value is defined as the consolidated book value of the assets of the REIT, plus the amount of accumulated depreciation of property and equipment. Total debt includes mortgages and loans, debentures, preferred shares liabilities and credit facilities. As at September 30, 2024, the REIT is in compliance with the requirement in the Declaration of Trust.

The total managed capital for the REIT is summarized below:

	Note	September 30, 2024	December 31, 2023
Mortgages and loans payable	11	$ 685,349	$ 911,748
Senior unsecured debentures	12	199,835	199,630
Credit facilities	13	249,779	794,164
Total debt		1,134,963	1,905,542
Unitholders' equity		1,614,126	1,716,332
		$ 2,749,089	$ 3,621,874

Note 26. Risk management

In the normal course of business, the REIT is exposed to a number of risks arising from its financial instruments. The most significant of these risks, and the actions taken to manage them, are as follows:

(a) Market risk:

(i) Interest rate risk:

The REIT is exposed to interest rate risk on its borrowings. The Declaration of Trust restricts the REIT's indebtedness to 70% of the gross book value of the REIT's total assets. The REIT also monitors the amount of variable rate debt. A portion of the REIT's debt financing is in fixed rate terms or variable rates with interest rate swaps in place. In addition, management considers the weighted-average term to maturity of long-term debt relative to the remaining average lease terms. At September 30, 2024, the REIT had variable rate debt, including credit facilities, of $728,848 (December 31, 2023, $1,444,236). At September 30, 2024, the REIT had entered into interest rate swaps to hedge the interest rate risk associated with $246,809 of variable rate debt (December 31, 2023, $246,897).

(ii) Foreign currency risk:

The REIT owns properties located in the U.S., and therefore, the REIT is subject to foreign currency fluctuations that may impact its financial position and results. In order to mitigate this risk, the REIT's debt on U.S. properties and a portion of the amounts drawn on credit facilities are held in US dollars to act as a natural hedge.

A $0.10 weakening in the US dollar against the calculated average Canadian dollar exchange rate of 1.3612 and 1.3611 for the three and nine months ended September 30, 2024, and the period end exchange rate of 1.3499 at September 30, 2024, would have decreased net loss by $3,361 and $1,370, respectively, for the three and nine months ended September 30, 2024. A $0.10 weakening in the US dollar against the Canadian dollar would have increased other comprehensive loss by approximately $64,401 and $59,329 for the three and nine months ended September 30, 2024. Conversely, a $0.10 strengthening in the US dollar against the Canadian dollar would have had an equal but opposite effect. This analysis assumes that all variables, in particular interest rates, remain constant.

(iii) Other price risk:

The fair value of investments in equity securities will vary as a result of changes in market prices of the investments. Market prices are subject to fluctuation and, consequently, the amount realized in subsequent periods may differ from the reported market value and amounts realized from disposition of a security may be affected by the quantity of the security being sold. Further, fluctuations in the market price of a security may have no relation to the intrinsic value of the security. The REIT manages its equity price risk by limiting the size of these investments relative to its total assets.

(b) Credit risk:

The REIT's maximum exposure to credit risk is equivalent to the carrying value of each class of financial asset as separately presented in cash, cash held in trust, accounts receivable and other receivables, notes receivable and preferred investments.

The REIT is exposed to credit risk as an owner of real estate in that tenants may become unable to pay the contracted rents. Management mitigates this risk by carrying out appropriate credit checks and related due diligence on the tenants. The REIT's properties are diversified across the industrial, office, retail and residential asset classes, and geographically diversified with properties owned across four Canadian provinces and four U.S. states.

The REIT measures loss allowance for rents receivable at the lifetime expected credit losses. In determining the expected credit losses, the REIT takes into account the expectations of future defaults and rent abatements based on payment history, tenant communications and economic conditions.

Included in property operating expenses are expected credit losses of $65 and $624 during the three and nine months ended September 30, 2024 (2023, $278 and $434).

The REIT is also exposed to credit risk as a holder of notes receivable and preferred investments. Management mitigates this risk by carrying out credit checks and related due diligence on the issuers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In addition, management monitors ongoing repayments and evaluates market conditions that may affect issuers' ability to repay.

(c) Liquidity risk:

Liquidity risk is the risk that the REIT will not be able to meet its financial obligations as they come due. The REIT manages liquidity risk by maintaining adequate cash and by having appropriate credit facilities available. In addition, the REIT continuously monitors and reviews both actual and forecasted cash flows.

The following are the estimated maturities of the REIT's financial liabilities at September 30, 2024 including accounts payable and other liabilities, lease liabilities, credit facilities, senior unsecured debentures and mortgages and loans payable. All debentures are disclosed at their face value.

	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and other liabilities	$ 74,561	$ 74,561	$ —	$ —	$ —
Lease liabilities	798	223	292	283	—
Credit facilities	250,000	200,000	50,000	—	—
Senior unsecured debentures	200,000	200,000	—	—	—
Mortgages and loans payable	687,958	265,979	284,831	130,373	6,775
	$ 1,213,317	$ 740,763	$ 335,123	$ 130,656	$ 6,775

Note 27. Fair value measurements

The REIT uses a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements of its financial instruments and its investment properties. Level 1 of the fair value hierarchy uses quoted market prices in active markets for identical assets or liabilities to determine the fair value of assets and liabilities. Level 2 includes valuations using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 valuations are based on inputs for the asset or liability that are not based on observable market data.

There were no transfers of assets or liabilities between hierarchy levels during the nine months ended September 30, 2024 and the year ended December 31, 2023.

		September 30, 2024		December 31, 2023	
	Fair value hierarchy	Carrying value	Fair value	Carrying value	Fair value
Assets:					
Investment properties	Level 3	$ 2,094,953	$ 2,094,953	$ 2,494,134	$ 2,494,134
Investment properties under development	Level 3	2,992	2,992	947	947
Preferred investments	Level 2	171,197	169,573	144,084	136,421
Equity securities	Level 1	100,200	100,200	152,002	152,002
Notes receivable	Level 2	37,972	37,257	47,170	46,233
Investment properties held for sale	Level 3	203,335	203,335	571,760	571,760
Derivative instruments	Level 2	142	142	1,429	1,429
		2,610,791	2,608,452	3,411,526	3,402,926
Liabilities:					
Mortgages and loans payable	Level 2	685,349	688,727	911,748	904,835
Senior unsecured debentures	Level 2	199,835	200,402	199,630	196,141
Credit facilities	Level 2	249,779	250,000	794,164	794,681
Derivative instruments	Level 2	8,652	8,652	5,717	5,717
		1,143,615	1,147,781	1,911,259	1,901,374
		$ 1,467,176	$ 1,460,671	$ 1,500,267	$ 1,501,552

The fair value of the REIT's accounts receivable and other receivables, cash held in trust, cash and accounts payable and other liabilities approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments.

The fair value of the investments in equity securities has been determined based on the quoted prices on the principal securities exchange on which the majority of the trading occurs.

The fair values of preferred investments, notes receivable, derivative instruments, mortgages and loans payable, senior unsecured debentures and credit facilities have been determined by discounting the cash flows of these financial instruments using period end market rates for instruments of similar terms and credit risks.

Derivative instruments primarily consist of interest rate swaps. The REIT entered into interest rate swaps on a number of mortgages. The swaps are not designated in a hedge relationship.

Note 28. Subsequent events

The following events occurred subsequent to September 30, 2024:

- The REIT entered into an amended agreement to extend the maturity date of the $150,000 non-revolving credit facility to November 30, 2024.
- The REIT sold investments in equity securities for proceeds of $5,732.
- The REIT purchased through the NCIB 1,252,300 common unit at a weighted-average price of $8.07 and 5,500 Series E Units at a weighted-average price of $20.88.
- The REIT declared a monthly cash distribution of $0.05 per common unit for the month of October 2024.
- The REIT declared a quarterly cash distribution of $0.4370625 per Series I Unit for the three months ended October 31, 2024.

Note 29. Approval of financial statements

These interim condensed consolidated financial statements were approved by the Board of Trustees and authorized for issue on November 7, 2024.