

## Message from the CEO

Dear All Island REIT Unitholders,

We're pleased to share our Q1 2025 financial results and provide an update on the continued progress Management is making in delivering strong, long-term value for our unitholders.

### Continued Growth and Strategic Expansion

The first half of 2025 has been a period of meaningful growth. All Island REIT expanded its Comox Valley portfolio by 50% through the acquisition of three centrally located apartment buildings. While short-term onboarding costs were incurred, Management is confident in its ability to generate long-term value from the new assets, just as it has done with the existing portfolio over the past eight years.

### Net Asset Value (NAV) Update

Management engaged a third-party appraiser to assist in repricing the Net Asset Value (NAV) per unit at June 30, 2025.

Based on this review and the strong revenue growth experienced across the portfolio, the **NAV per unit has increased from \$18.15 to \$18.35**. This growth reflects continued value creation and delivers a one-year annualized return of 10.50% for Class F DRIP units, or 10.95% since inception.

### Q1 2025 Results

- **Leasing**

During the first quarter, All Island REIT experienced a temporary increase in vacancy, peaking at 6% on a same-property basis. As tenant turnover was largely driven by natural demographic transitions, including age-related life changes and home purchases, many of the resulting vacancies required suite renovations that extended down time. Overall, the demand for rental housing in our core communities remains high.

As of June 30<sup>th</sup>, the vacancy rate has improved significantly to 3.8% and leasing activity is strong. Importantly, this turnover of suites has resulted in long-term revenue gains. Average rents on new leases increased by 15%, contributing to a 4.3% increase in revenue year-over-year on a same property basis.

- **New Acquisition**

All Island REIT also completed the acquisition of *1600 Riverside*, adding 92 units in Courtenay and contributing \$330,000 in revenue in Q1. The purchase was initially financed through All Island REIT's line of credit, which was refinanced after quarter-end with an \$11 million term loan at a fixed interest rate of 5.00%. This brings the Trust's weighted average interest rate to 3.24% while maintaining a conservative loan-to-value ratio at 50%.

Included in All Island REIT's financial results are several one-time expenses associated with leasing up its new acquisition and increased interest costs from interim financing. These expenses are not expected to continue past the second quarter.



# UNITHOLDER LETTER

Mid Year Report 2025

## Looking Ahead

Management's focus remains on maximizing long-term value for our unitholders through disciplined asset management and active reinvestment. All Island REIT is well-positioned to benefit from stabilized operations and increased rental income in the second half of 2025.

We thank you for your continued support and confidence in All Island REIT.

Sincerely,

Brendan Sutton  
CEO  
All Island REIT

## References

**Class F DRIP Units:** Unitholders receive distributions in the form of additional units through the Distribution Reinvestment Plan (DRIP). See Offering Memorandum dated April 8, 2024 for more details.

**Inception:** AIE REIT was established in May 2017 with the acquisition of a \$65 million portfolio in the Comox Valley, excluding two commercial properties that were sold shortly after completion.

**Management:** Management of All Island Equity REIT.

**Net Asset Value (NAV):** Aggregate value of the trust's properties less the aggregate value of the trust's liabilities, subject to valuation rules set and estimates made by the Trust from time to time.

**Trust or All Island REIT:** All Island Equity REIT, a Real Estate Investment Trust.



ALL  
ISLAND  
EQUITY

# REIT Financial Statements

## Unaudited Income Statement - March 31, 2025

*Year to Date*

<b>Total Operating Revenues</b>	<b>4,243,737</b>
<b>Expenses</b>	
Utilities	308,108
Real Estate Taxes	307,932
Maintenance Expenses	413,085
Insurance	154,359
Site Staff Wages	254,574
Property Management Fees	313,617
<b>Total Operating Expenses</b>	<b>1,751,675</b>
<b>Net operating income</b>	<b>2,492,062</b>
Less General & Administrative	720,416
<b>EBITDA</b>	<b>1,771,646</b>
Less Mortgage Interest	(1,098,411)
Less Amortization - Financing Cost	(139,005)
<b>Net Income</b>	<b>534,229</b>

## Unaudited Balance Sheet - March 31, 2025

<b>Assets</b>	
Current Assets	2,054,946
Cash and Cash Equivalents	300,404
Properties	270,643,713
<b>Total Assets</b>	<b>272,999,063</b>
<b>Liabilities</b>	
Payables, Accruals and Prepaid Rent	3,853,383
Security Deposits Held	810,448
Vancity Line of Credit	11,176,823
Mortgages and Loans	125,251,306
<b>Total Liabilities</b>	<b>141,091,961</b>
<b>Owner's Equity</b>	
Net Investor Equity	131,372,874
Current Earnings	534,229
<b>Total Equity</b>	<b>131,907,102</b>
<b>Total Liabilities &amp; Equity</b>	<b>272,999,063</b>