REPOSITIONED FOR GROWTH

Strategic Repositioning

INVESTOR PRESENTATION

OCTOBER 27, 2021

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Forward-Looking Statements

Certain statements made in this presentation will contain forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements made or implied relating to H&R Real Estate Investment Trust's ("H&R" or "the REIT") objectives, strategies to achieve those objectives, H&R's beliefs, plans, estimates, projections and intentions and statements with respect to H&R's strategic repositioning initiatives, including the tax-free spin-off of Primaris REIT, the disposition of H&R's remaining retail assets and the monetization of H&R's ECHO interest, the disposition of office properties without redevelopment opportunities, including in each case the proceeds therefrom, H&R's focus on multi-residential and industrial assets and its development pipeline, the benefits to H&R from the foregoing, including the impact on H&R's financial metrics, including NAV, H&R's pro forma and target asset mix, H&R's pro forma balance sheet, Primaris REIT's strategy, capital structure and opportunities, Primaris REIT's development activities, H&R's development pipeline and activities, including planned future expansions and building of new properties, the expected yield on cost of H&R's developments and other investments, the expected costs and timing of any of H&R's projects and H&R's target business and financial metrics. Statements concerning forward-looking information can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect H&R's current beliefs and are based on information currently available to management. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and are based on H&R's estimates and assumptions that are subject to risks and uncertainties, including those discussed in H&R's materials filed with the Canadian securities regulatory authorities from time to time, including H&R's MD&A for the quarter ended June 30, 2021, and H&R's most recently filed annual information form, which could cause the actual results and performance of H&R to differ materially from the forward-looking statements made in this presentation. Although the forward-looking statements made in this presentation are based upon what H&R believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Readers are also urged to examine H&R's materials filed with the Canadian securities regulatory authorities from time to time as they may contain discussions on risks and uncertainties which could cause the actual results and performance of H&R to differ materially from the forward-looking statements made in this presentation. All forward-looking statements made in this presentation are qualified by these cautionary statements. These forward-looking statements are made as of October 27, 2021 and H&R, except as required by applicable law, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

Non-GAAP Measures

The REIT's audited annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). H&R's management uses a number of measures which do not have a meaning recognized or standardized under IFRS or Canadian Generally Accepted Accounting Principles ("GAAP"). The non-GAAP measures the REIT's proportionate share, property operating income (cash basis), Same-Asset property operating income (cash basis), Funds from Operations ("FFO"), Adjusted Funds from Operations ("AFFO"), Payout Ratio per Unit as a % of AFFO, Interest Coverage ratio, Debt/Earnings before interest, taxes, depreciation and amortization ("EBITDA") and Net Asset Value ("NAV"), as well as other non-GAAP measures discussed elsewhere in this presentation, should not be construed as an alternative to financial measures calculated in accordance with GAAP. Further, H&R's method of calculating these supplemental non-GAAP financial measures may differ from the methods of other real estate investment trusts or other issuers, and accordingly may not be comparable. H&R uses these measures to better assess its underlying performance and provides these additional measures so that investors may do the same. These non-GAAP financial measures are more fully defined and discussed in H&R's MD&A as at and for the six months ended June 30, 2021, available at www.hr-reit.com and on www.sedar.com.

Other

All figures have been reported at H&R's ownership interest, including equity accounted investments and in Canadian dollars unless otherwise stated.
Balance Sheet figures have been converted at $1.24 CAD for each U.S. $1.00, unless otherwise stated.
Income Statement figures have been converted at $1.25 CAD for each U.S. $1.00, unless otherwise stated.

REPOSITIONED FOR GROWTH

To be a leading owner, operator and developer of multi-residential and industrial properties, surfacing value through asset redevelopment and greenfield development, funded by capital recycling.

STRATEGIC
REPOSITIONING INITIATIVES

PRIMARIS	Tax-free spin-off of Primaris including all of H&R's enclosed malls to unitholders
EXIT RETAIL	Disposition of remaining grocery-anchored and essential service retail properties, including ECHO interest
EXIT OFFICE	Office properties with redevelopment opportunities will be held while remaining office properties will be sold
FOCUS ON MULTI-RESIDENTIAL AND INDUSTRIAL	Reinvest proceeds generated from retail and office dispositions to grow Class A multi-residential and industrial property portfolio, including significant development and redevelopment of properties in prime locations primarily within the GTA and high growth U.S. sunbelt and gateway cities

STRATEGIC REPOSITIONING BENEFITS
TRANSFORM FROM DIVERSIFIED TO SIMPLIFIED

Higher Growth Properties

Greater exposure to higher growth multi-residential and industrial, combined with reduced exposure to retail and office

Enhanced Geography

Enhanced major market presence in the Greater Toronto Area and high growth U.S. Sunbelt and Gateway cities

Attractive Developments

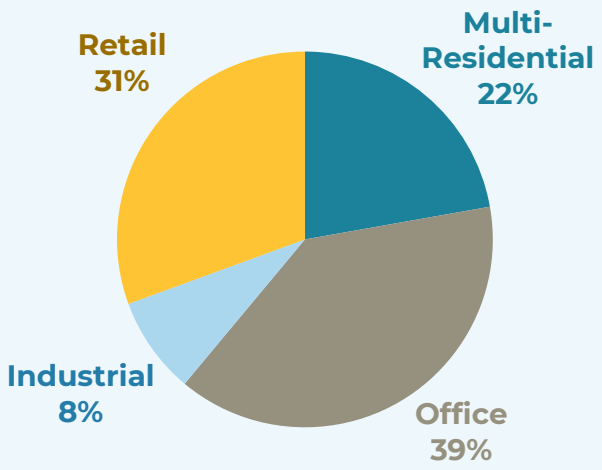
Attractive development and redevelopment opportunities to drive future growth

Financial Flexibility

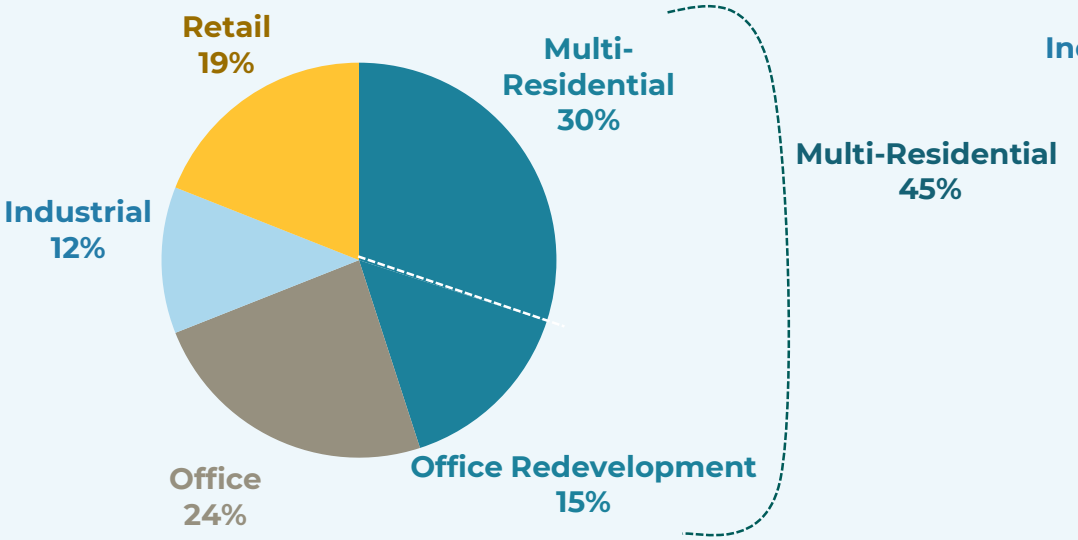
Strong balance sheet enhances financial flexibility to execute on growth plans

TRANSFORM H&R INTO A HIGH-GROWTH MULTI-RESIDENTIAL AND INDUSTRIAL PLATFORM

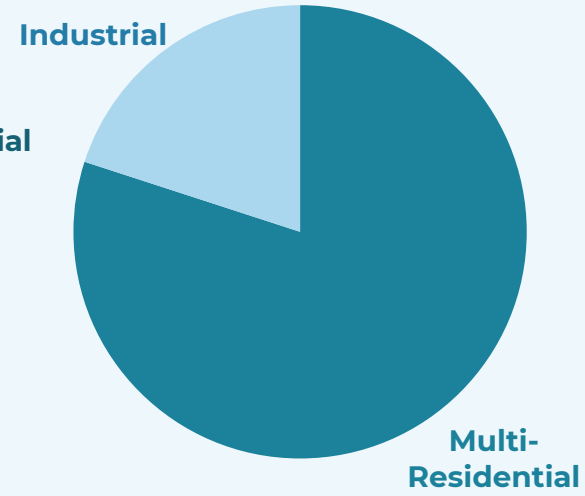
Investment Properties
June 30, 2021



Investment Properties
Post Spin-Off
January 1, 2022

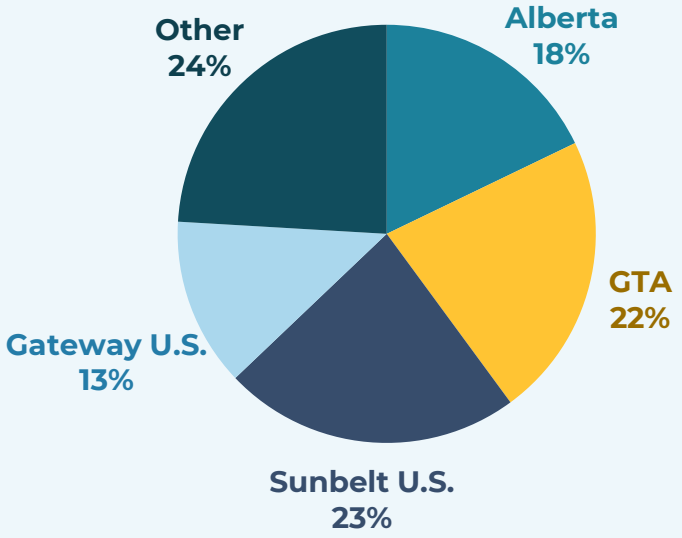


Investment Properties
5-Year Target

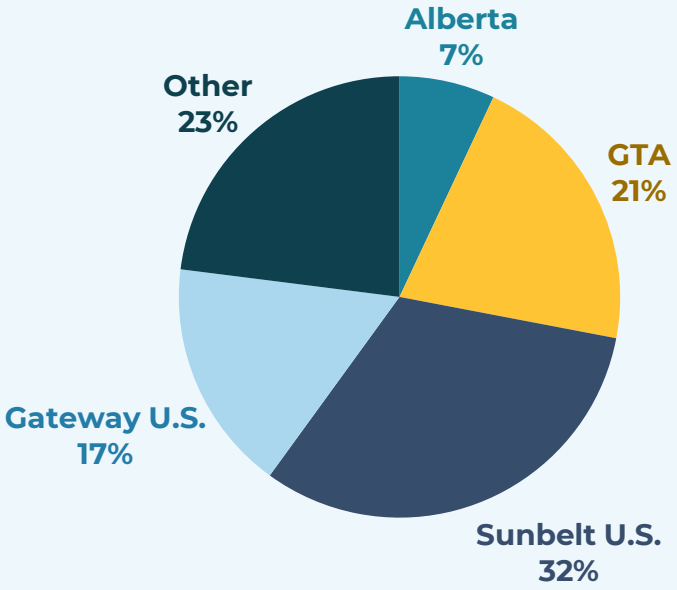


SIGNIFICANTLY INCREASE EXPOSURE TO THE GTA AND HIGH GROWTH U.S. SUNBELT AND GATEWAY CITIES

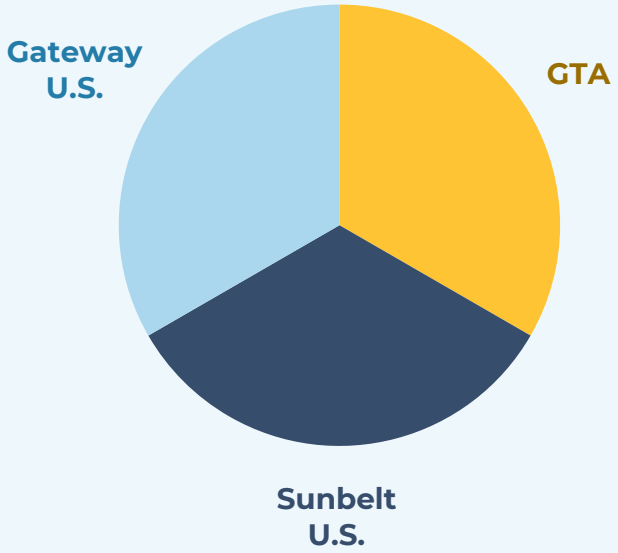
Investment Properties
June 30, 2021



Investment Properties
Post Spin-Off
January 1, 2022

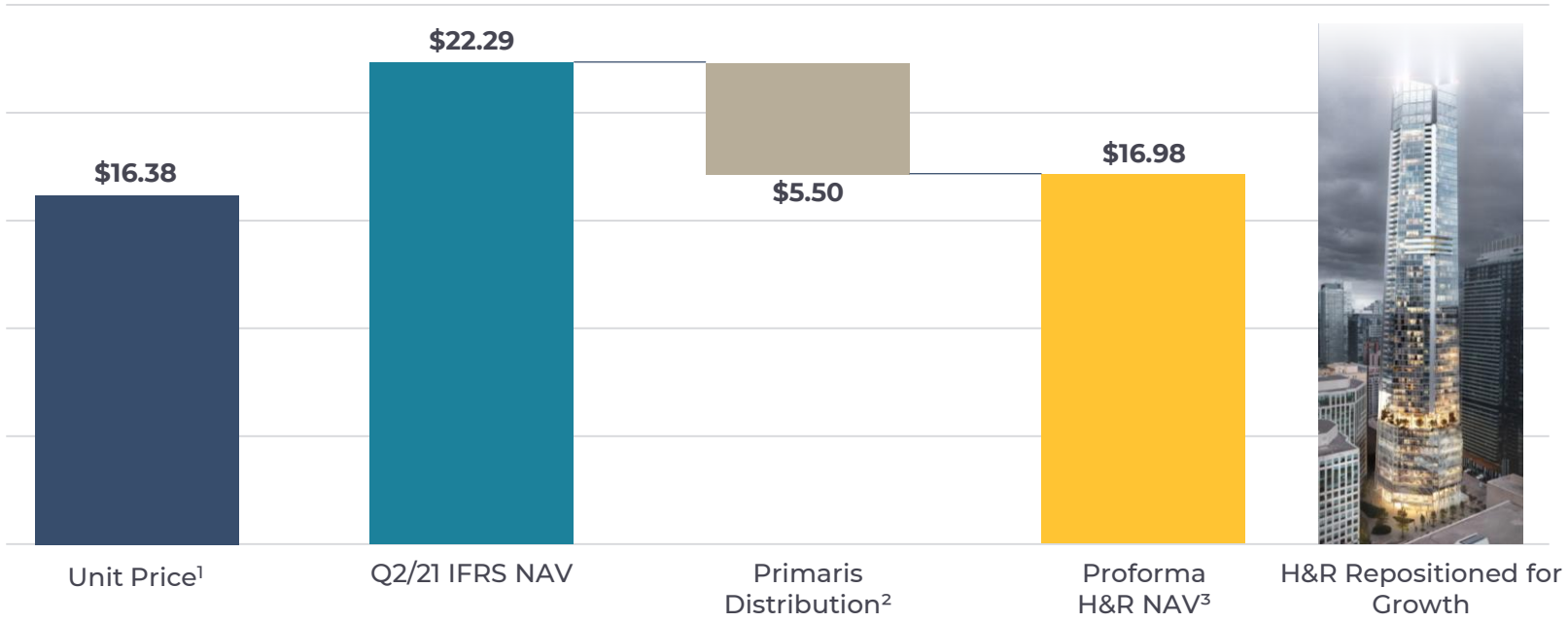


Investment Properties
5-Year Target



THE NEW H&R OFFERS VALUE AND GROWTH

Proforma NAV per Unit



Proforma NAV per Unit

Unit Price[1]	$16.38
Q2/21 IFRS NAV	$22.29
Primaris Distribution[2]	$5.50
Proforma H&R NAV[3]	$16.98
H&R Repositioned for Growth	

1. Stock price as of October 15, 2021.
2. Anticipated value of Primaris distribution.
3. Includes $0.19 of transaction gains.

SPIN-OFF OVERVIEW

Primaris

Built
for the New
Retail Landscape

The Transaction

- H&R and Healthcare of Ontario Pension Plan ("HOOPP") to create Canada's premier enclosed shopping centre REIT, Primaris REIT ("Primaris")
- Independent, third-party appraisals on 100% of properties in order to determine ownership percentage split between H&R and HOOPP
- H&R contributing approximately 74% of properties primarily regional enclosed shopping centres
- HOOPP contributing approximately 26% of properties primarily comprised of enclosed shopping centres
- $3.2 billion in properties spanning 11.4 million square feet of GLA
- Spin-off to be completed as a non-taxable distribution, subject to CRA approval
- Closing is expected January 1, 2022

CREATING A WELL-CAPITALIZED CANADIAN REIT FOCUSED ON PROVIDING HIGH-QUALITY SPACE TO LEADING RETAILERS IN MARKET DOMINANT SHOPPING CENTRES

PRIMARIS - STRATEGIC ADVANTAGES
BUILT FOR THE NEW RETAIL LANDSCAPE

Built to Grow and Thrive

Size and Scale

- $3.2B national portfolio of dominant enclosed shopping centre properties across Canada
- Full-service, internal national platform

Strategic Capitalization

- Debt to Gross Book Value: 29%
- Debt to EBITDA: 5.3x[1]
- Target FFO payout ratio: 45% - 50% of FFO

Primaris

Strategy

Focus on Retailer Affordability

- Cost management discipline
- Economies of scale
- Prominent e-commerce integration

Excess Density & Intensification

- 900 acres of owned land
- Flagship Dufferin Grove
- Orchard Park, Place D' Orleans

Consolidation Opportunity

- Canada's only enclosed shopping centre REIT
- Well-capitalized, scalable management platform
- Institutions overweight retail, divesting

1. Based on 2022 expected EBITDA.

HR REIT

Demonstrated resiliency through COVID-19 pandemic through stable operating metrics. Steady organic EBITDA growth is expected post-pandemic.

PRIMARIS - STRONG MANAGEMENT TEAM GUIDED BY INDEPENDENT BOARD OF TRUSTEES

	Industry Experience	Years at Primaris
Alex Avery Chief Executive Officer	20	4
Patrick Sullivan President & Chief Operating Officer	30	11
Seeking Candidate Chief Financial Officer	na	na
Mordecai Bobrowsky SVP, Legal	18	8
Graham Proctor SVP, Asset Management	20	4
Brenda Huggins SVP, Human Resources	20	12
Leigh Murray VP, Leasing (East)	20	11
Laurel Adamson VP, Leasing (West)	35	8

Board of Trustees

Avtar Bains
- 30 years as leading property broker with Colliers International
- President, Premises Properties

Anne Fitzgerald
- Corporate Director & Chief Legal Officer, EVP Real Estate & Corporate Secretary, Cineplex Inc.

Louis Forbes
- Corporate Director & Former CFO of CT REIT, Primaris Retail REIT

Tim Pire
- Corporate Director & University REIT Lecturer
- Former Managing Dir. & Portfolio Manager, Heitman LLC

Deborah Weinswig
- Founder & CEO Coresight Research
- Previously Managing Dir., Fung Global Retail & Technology, Citi Research

Alex Avery
- CEO, Primaris REIT

Patrick Sullivan
- President & COO, Primaris REIT

PRIMARIS - DUFFERIN GROVE
FLAGSHIP DEVELOPMENT OPPORTUNITY

- Replacement of surface parking with 3 residential buildings over 2 blocks
- West block: 2 residential buildings (20 and 36 storeys)
- East block: 1 residential building and podium (16 and 10 storeys)
- 1,300 residential rental units and 130,000 sf of new retail space
- Direct proximity to Dufferin Station on the TTC's Bloor Line
- Construction will not impact existing mall operations
- Enhancement of retail offerings with new additional retail space
- Receipt of approval for re-zoning application expected in Q4 2021

PRIMARIS - OTHER EXCESS DENSITY AND SUBSTANTIAL INTENSIFICATION POTENTIAL



	Orchard Park (Kelowna, BC)	Place D'Orleans (Ottawa, ON)	Stone Road Mall (Guelph, ON)	Sunridge Mall (Calgary, AB)	Northland Village (Calgary, AB)	Sherwood Park (Sherwood Park, AB)	Grant Park (Winnipeg, MB}	Kildonan Place (Winnipeg, MB)
Site Area	▪ 53.3 acres	▪ 21.5 acres	▪ 36.4 acres	▪ 66.8 acres	▪ 34.6 acres	▪ 40.5 acres	▪ 15.9 acres	▪ 31.6 acres
Transit Access	▪ Orchard Park Transit Terminal and RapidBus	▪ Place d'Orleans Transitway terminal and pedestrian bridge ▪ Ottawa LRT station stop	▪ Guelph Transit bus stop	▪ Calgary Transit LRT and bus stops	▪ Calgary Transit bus stop	▪ Strathcona Transit bus stop	▪ Winnipeg Transit bus stop and downtown express	▪ Winnipeg Transit bus terminal, dedicated Park & Ride and downtown express
Estimated Residential Units	▪ 300 units	▪ 250 units	▪ 300 units	▪ 500 units	▪ 300 units	▪ 300 units	▪ 150 units	▪ 200 units

HR REIT

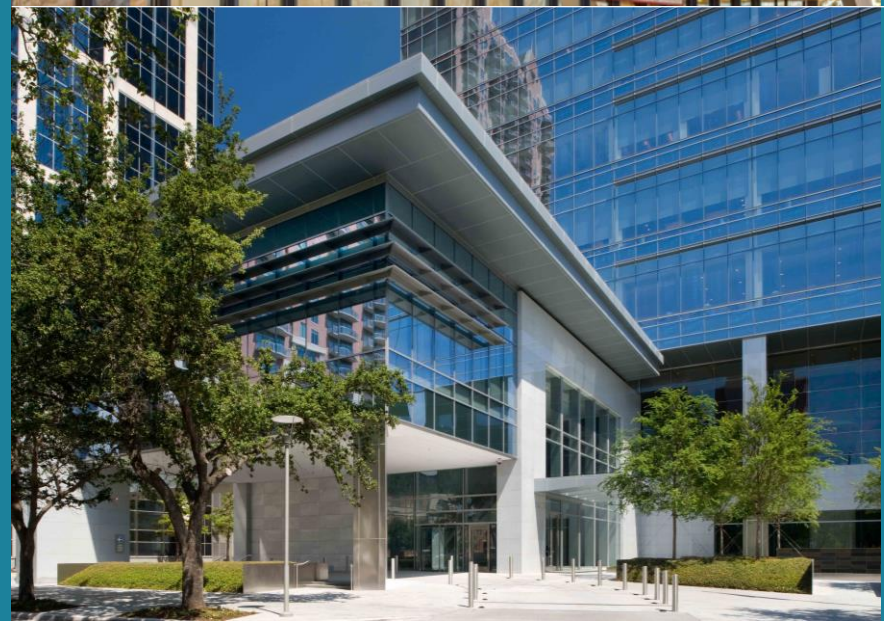
H&R
POST SPIN

Favourable impact on operating and credit metrics enhancing growth and improving balance sheet

Key Metrics	June 30, 2021	Post Spin January 1, 2022	Impact
Reduce Calgary Office Exposure	$1.1 billion	$372.5 million	✓
Reduce Retail Exposure	$4.0 billion	$1.8 billion	✓
Improve Balance Sheet - Debt/EBITDA	10.0x	9.5x	✓
Enhance Growth Profile – Same-Asset Property Operating Income (Cash Basis)	0.4%[1]	3.0%	✓
Conservative Payout Ratio as a % of FFO	44.9%	40-50%	✓
Reduce Leverage – Debt to Total Assets	50.0%	46.8%	✓
Create Flexibility - Secured/Total Debt	65.8%	58.5%	✓
Improve borrower profile - Unencumbered/Unsecured[2]	1.7x	2.0x	✓

1. Six-year 2014-2020 Same-Asset Property Operating Income (Cash Basis), average.
2. Excludes ECHO.

EXIT $3.4 BILLION OF PROPERTIES TO FUND MULTI-RESIDENTIAL AND INDUSTRIAL DEVELOPMENT PIPELINE



$1.1 billion
retail properties

$2.3 billion
office properties

EXIT REMAINING RETAIL THROUGH DISPOSITION PROGRAM SYNCHRONIZED TO MATCH CAPITAL FUNDING REQUIREMENTS

$600 million of high-quality grocery-anchored and single-tenant properties

- 56 properties
- 2.8 million square feet
- Weighted average lease term 8.7 years
- 98.5% occupied
- Strong covenant tenants

$470 million investment in ECHO, an attractive grocery-anchored real estate portfolio

- Weighted average lease term 8.7 years
- 95.1% occupied

Grocery-Anchored and Essential Service Disposition Portfolio

Lowe's	11
Metro	11
Sobeys	9
Walmart	4
Shoppers Drug Mart	2
Other Essential	19
Total Grocery-Anchored and Essential Service Properties	**56**
Interest in Giant Eagle Supermarkets through investment in ECHO Realty L.P.	

$1.1 billion
sale of retail assets earmarked for capital recycling

REDEPLOYING PROCEEDS FROM DISPOSITIONS TO FUND MULTI-RESIDENTIAL AND INDUSTRIAL DEVELOPMENT PIPELINE

HR REIT

EXIT OFFICE THROUGH DISPOSITIONS AND REDEVELOPMENTS

Office to be sold

- Up to $2.3 billion of office
- 15 properties
- 99.5% occupancy
- 4.2 million sf
- Weighted average lease term 9.5 years

Office to be redeveloped

- $1.4 billion of office
- Potential for 5,900 residential units
- Toronto, ON
  - 310 Front St. W.
  - 145 Wellington St. W.
  - 55 Yonge St.
  - 69 Yonge St.
  - 100 Wynford Dr.
- Burnaby, BC
  - Kingsway
- Montreal, QC
  - 200 Bouchard Blvd.

$2.3 billion
of office properties to be sold

$1.4 billion
of office properties held for redevelopment

REDEPLOYING PROCEEDS FROM DISPOSITIONS TO FUND MULTI-RESIDENTIAL AND INDUSTRIAL DEVELOPMENT PIPELINE

HR REIT

REZONING AND REDEVELOPMENT OF OFFICE PROPERTIES INTO HIGHEST AND BEST USE

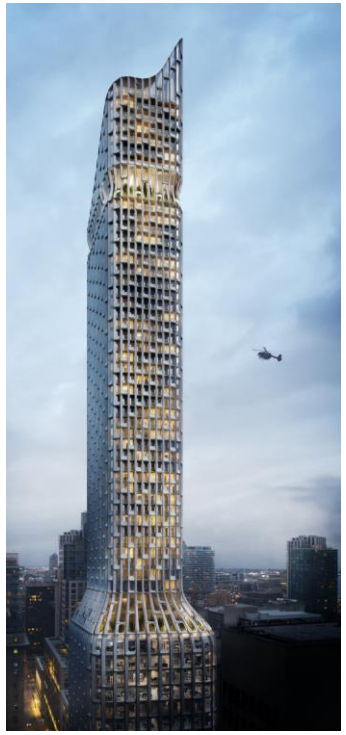
~5,900
Residential units

Advance the rezoning and redevelopment of office properties currently valued at $1.4 billion into upscale multi-residential properties in prime locations within growing markets

Burnaby
3777 Kingsway

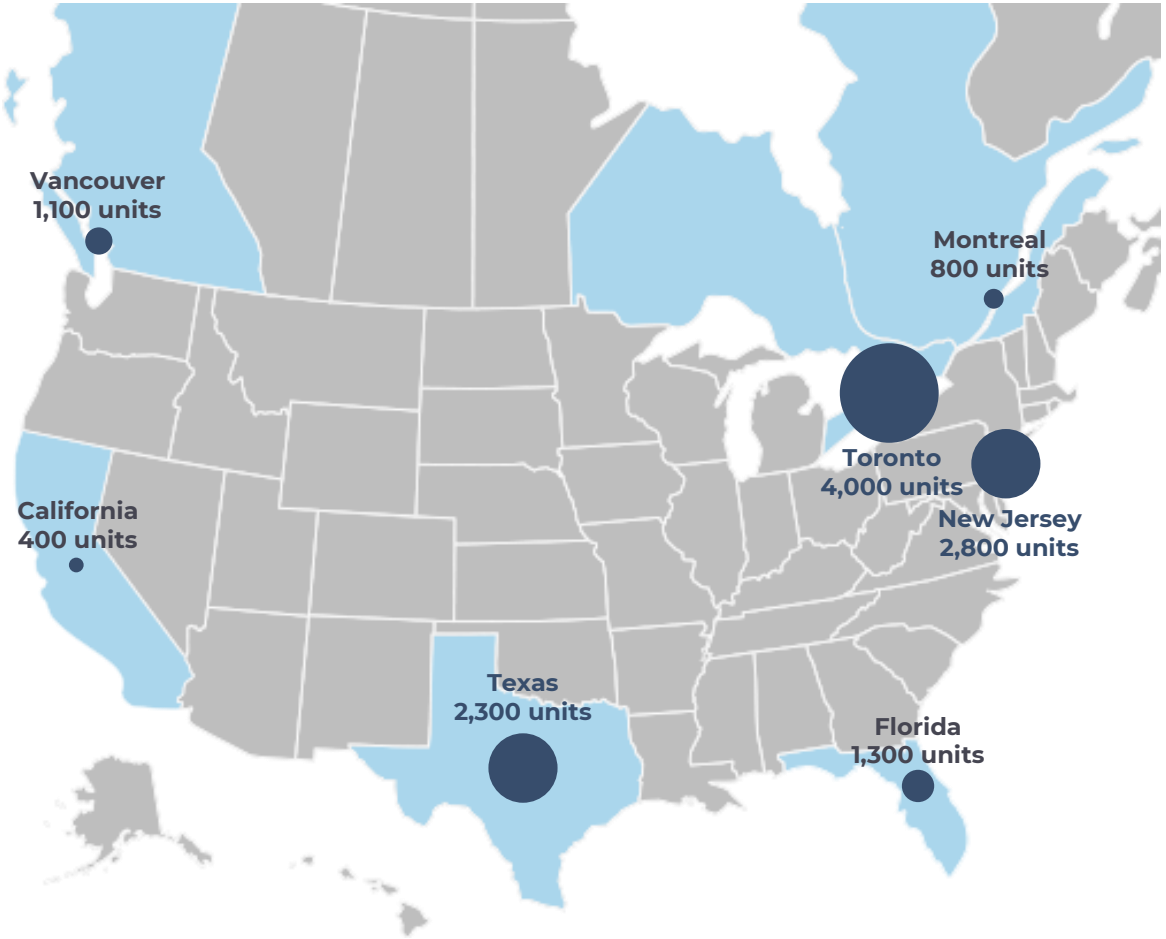
Toronto
145 Wellington

Toronto
310 Front



Toronto
55 Yonge

SIGNIFICANT MULTI-RESIDENTIAL AND INDUSTRIAL DEVELOPMENT PIPELINE



2022 Construction Starts
2,150 residential units
580,000 industrial GLA

2023 Construction Starts
1,450 residential units
440,000 industrial GLA

Primarily U.S.-based, multi-residential greenfield development located in high growth gateway and sunbelt cities.

2024+ Construction Starts
~9,100 residential units

2024+ Construction Starts
~2,200,000 industrial GLA

Significant pipeline of office to class A multi-residential and mixed-use redevelopment concentrated in prime locations within growing markets.

~12,700 Residential Units

H&R REIT

H&R expects to evaluate each potential development in the context of its capital allocation strategy, and may elect to pursue development on its own, with capital partners, or sell the developments with approvals in place, capturing much of the value creation.

2022 AND 2023
CONSTRUCTION STARTS

2022 starts

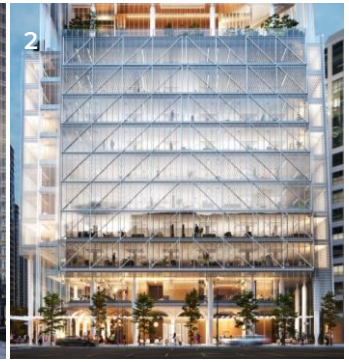
2023 starts

	Property	Geography	Use	Type	Ownership	Expected Completion Date	Industrial GLA (square feet)/ Residential Units	Projected Development Yield at Cost	Total Development Budget ($CAD)
1	Mississauga Rd. N	Mississauga, ON	Industrial	Greenfield	100.0%	2023	330,000 GLA	6.3%	$73,000,000
2	Slate Dr.	Mississauga, ON	Industrial	Greenfield	50.0%	2023	250,000 GLA	6.0%	$57,000,000
3	West Love	Dallas, TX	Multi-residential	Greenfield	100.0%	2023	400 units	5.7%	$124,000,000
4	Largo/Hwy 19	Tampa, FL	Multi-residential	Greenfield	100.0%	2024	300 units	5.9%	$84,000,000
5	Midtown Park	Dallas, TX	Multi-residential	Greenfield	100.0%	2024	350 units	5.7%	$112,000,000
6	Sunrise – Phase I	Orlando, FL	Multi-residential	Greenfield	100.0%	2024	300 units	5.9%	$113,000,000
7	CityLine	Dallas, TX	Multi-residential	Greenfield	100.0%	2024	300 units	5.6%	$93,000,000
8	The Cove – Phase I	Jersey City, NJ	Multi-residential	Greenfield	100.0%	2024	500 units	6.0%	$406,000,000
9	Carlsbad	San Diego, CA	Multi-residential	Greenfield	33.3%	2024	100 units	5.6%	$37,000,000
10	River Landing – Phase II	Miami, FL	Multi-residential	Greenfield	100.0%	2024	350 units	5.8%	$229,000,000
11	North Service	Burlington, ON	Industrial	Redevelopment	100.0%	2024	170,000 GLA	5.6%	$45,000,000
12	Prosper – Phase I	Dallas, TX	Multi-residential	Greenfield	100.0%	2025	350 units	5.7%	$109,000,000
13	Sunrise – Phase II	Orlando, FL	Multi-residential	Greenfield	100.0%	2025	350 units	5.9%	$120,000,000
14	Hercules Project – Phase III	Hercules, CA	Multi-residential	Greenfield	31.7%	2025	100 units	6.0%	$42,000,000
15	McNabb St.	Markham, ON	Industrial	Redevelopment	100.0%	2025	270,000 GLA	6.0%	$67,000,000
16	Bryan St.	Dallas, TX	Multi-residential	Greenfield	100.0%	2025	200 units	5.0%	$114,000,000
	Total						**1,020,000 GLA/ 3,600 units**	**5.8%**	**$1,825,000,000**

PIPELINE OF MULTI-RESIDENTIAL AND INDUSTRIAL DEVELOPMENTS

2024+

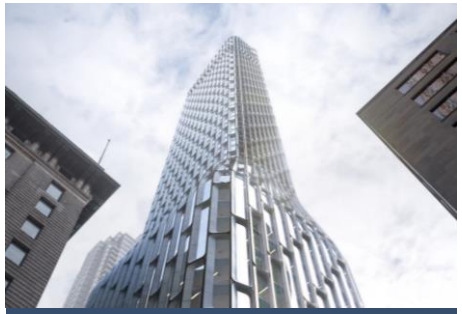
	Property	Geography	Use	Type	Industrial GLA(Square feet)/ Residential Units
1	Kingsway	Burnaby, BC	Multi-residential	Redevelopment	1,100 units
2	310 Front St. W.	Toronto, ON	Multi-residential	Redevelopment	500 units
3	145 Wellington St. W.	Toronto, ON	Multi-residential	Redevelopment	500 units
4	55 Yonge	Toronto, ON	Multi-residential	Redevelopment	400 units
5	69 Yonge St.	Toronto, ON	Multi-residential	Redevelopment	100 units
6	100 Wynford Dr.	Toronto, ON	Multi-residential	Redevelopment	2,500 units
7	200 Bouchard Blvd.	Montreal, QC	Multi-residential	Redevelopment	800 units
8	Prosper – Future Phases	Dallas, TX	Multi-residential	Greenfield	600 units
9	The Cove – Future Phases	Jersey City, NJ	Multi-residential	Greenfield	2,300 units
10	Hercules Project – Future Phases	Hercules, CA	Multi-residential	Greenfield	300 units
11	Industrial Lands	Toronto, ON	Industrial	Greenfield	2,200,000 GLA
	Total				**2,200,000 GLA/9,100 units**



H&R STRATEGIC PRIORITIES
TO DRIVE GROWTH

Class A Multi-Residential

Through the Lantower platform, grow class A multi-residential property exposure through acquisitions and developments in high growth U.S. gateway and sunbelt cities.



Property Redevelopment

Advance the rezoning for redevelopment of $1.4 billion of office properties into upscale multi-residential properties within growing markets.

High-Quality Distribution Facilities

Build and expand the institutional-quality distribution-focused industrial platform through development.

Disposition Program

Redeploy proceeds from retail and office sales to self-fund significant development pipeline.

Financial Flexibility to Drive Growth

Maintain a strong, flexible balance sheet with an investment grade credit rating. Reduce leverage over time.

Continue to embed sustainability in every facet of our business and advance our long-term ESG strategy

INCREASE CLASS A MULTI-RESIDENTIAL PROPERTY EXPOSURE IN HIGH GROWTH U.S. GATEWAY AND SUNBELT CITIES

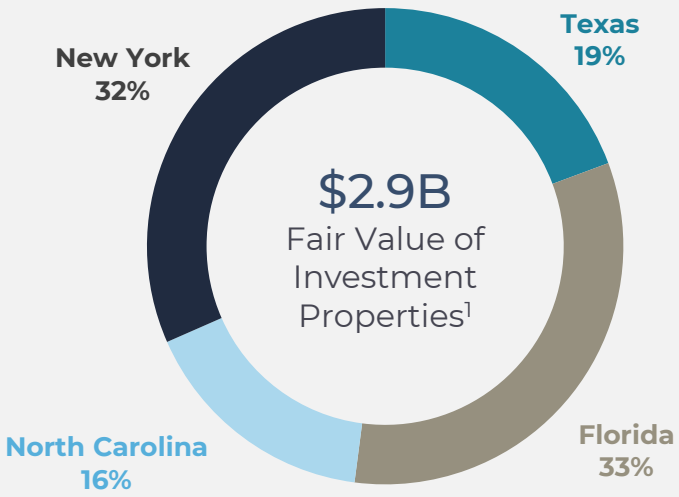
LANTOWER RESIDENTIAL

Targeting increased exposure to institutional-quality properties in proven high growth markets through acquisition and development

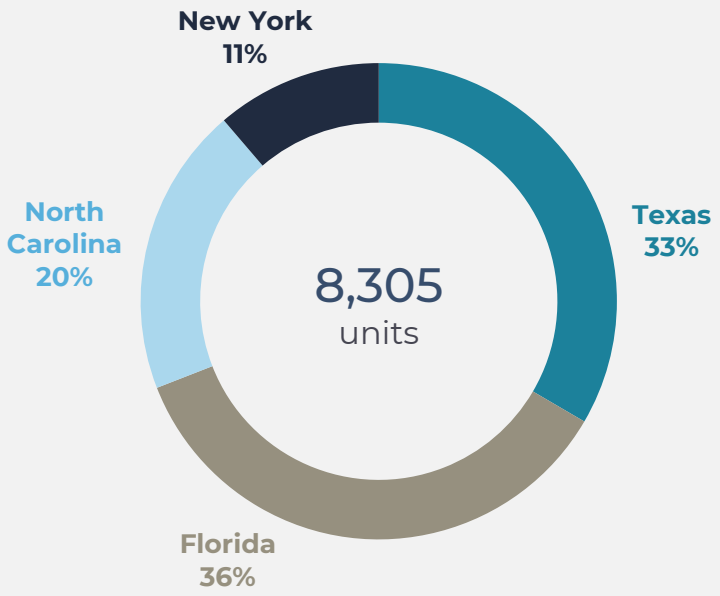
Highly skilled locally-based property management team

Lantower Residential - Prime income-producing multi-residential properties with attractive growth characteristics[1]

Multi-Residential Fair Value by Geography



Number of Units by Geography



1. Figures above are as at June 30, 2021 (excluding Hercules Phase I which was sold in September 2021).

$2.9B
Fair Value

4.56%
Weighted Average Cap Rate

4.9%
Same Property NOI Growth

95.6%
Occupancy September 30, 2021

6.6 years
Average Age

BUILD AND EXPAND THE INSTITUTIONAL-QUALITY DISTRIBUTION PLATFORM THROUGH ACQUISITION AND DEVELOPMENT

H&R Industrial - High-quality distribution facilities located in key industrial markets

	Tenant	% of industrial rentals	Number of locations	REIT owned sq.ft. (in 000s)	Avg lease TTM (years)	Credit Ratings (S&P)
1	Canadian Tire Corporation	25.8%	2	2,104	5.6	BBB Stable
2	Finning International Inc.	9.2%	15	440	7.2	BBB+ Stable
3	Purolator Inc.	8.0%	12	535	8.2	Not Rated
4	Deutsche Post AG	6.5%	1	343	9.6	Not Rated
5	Unilever Canada Inc.	5.7%	1	372	3.3	A+ Stable
6	Hudson's Bay Company	3.4%	1	369	4.1	Not Rated
7	Solutions 2 GO Inc.	2.9%	1	215	10.9	Not Rated
8	The TJX Companies Inc.	2.3%	1	253	1.2	A Stable
9	One Jeans Group Inc.	2.2%	1	413	1.8	Not Rated
10	Amazon.com Inc.	2.0%	1	164	10.2	AA Stable
	Total Top 10	**68.0%**	**36**	**5,208**	**6.3**	

$1.1B
Fair Value

8.4M
Square feet

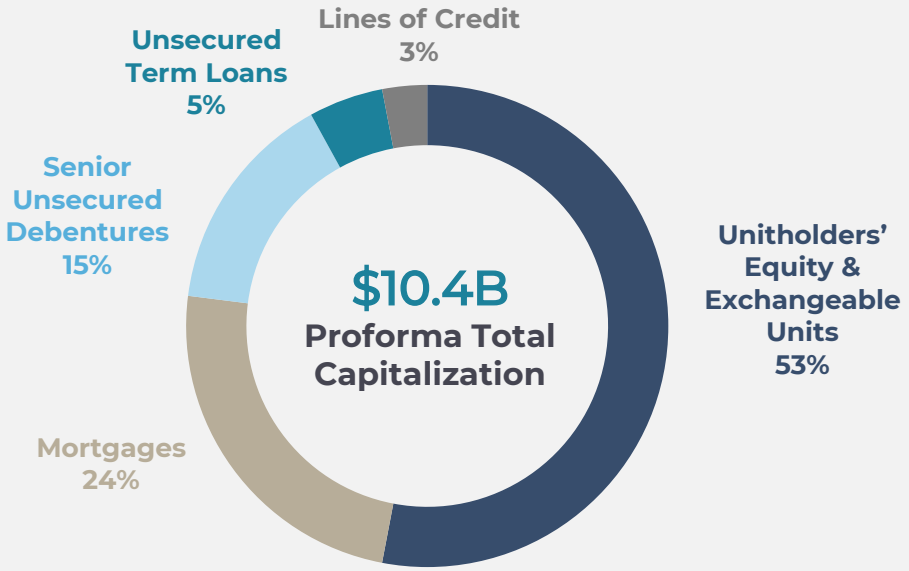
5.27%
Weighted Average Cap Rate

96.4%
Occupancy September 30, 2021

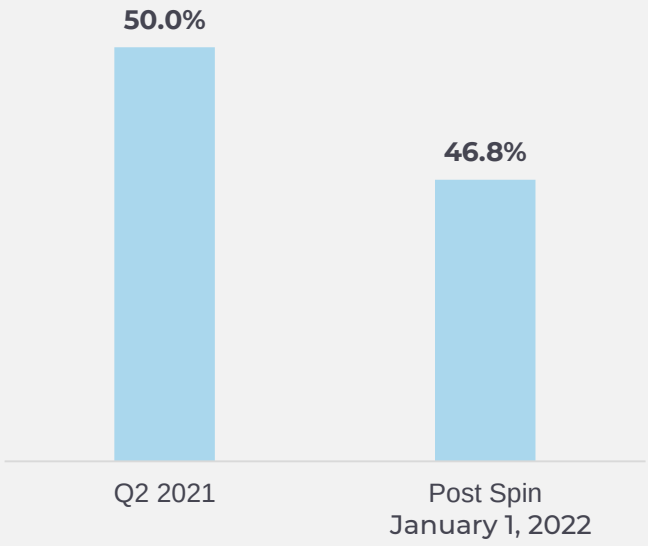
30 ft
Average Clear Height

98,300 sf
Average Tenant Size

Maintain a strong and flexible balance sheet with an investment grade credit rating Post Spin, January 1, 2022



Debt[2] to Total Assets



BBB (High)
by DBRS

$4.3B
Unencumbered Assets[1]

>$1.0B
Available under Lines of Credit

2.8x
Interest Coverage

3.6%
Weighted Average Interest Rate

5.0 years
Weighted Average Term Maturity

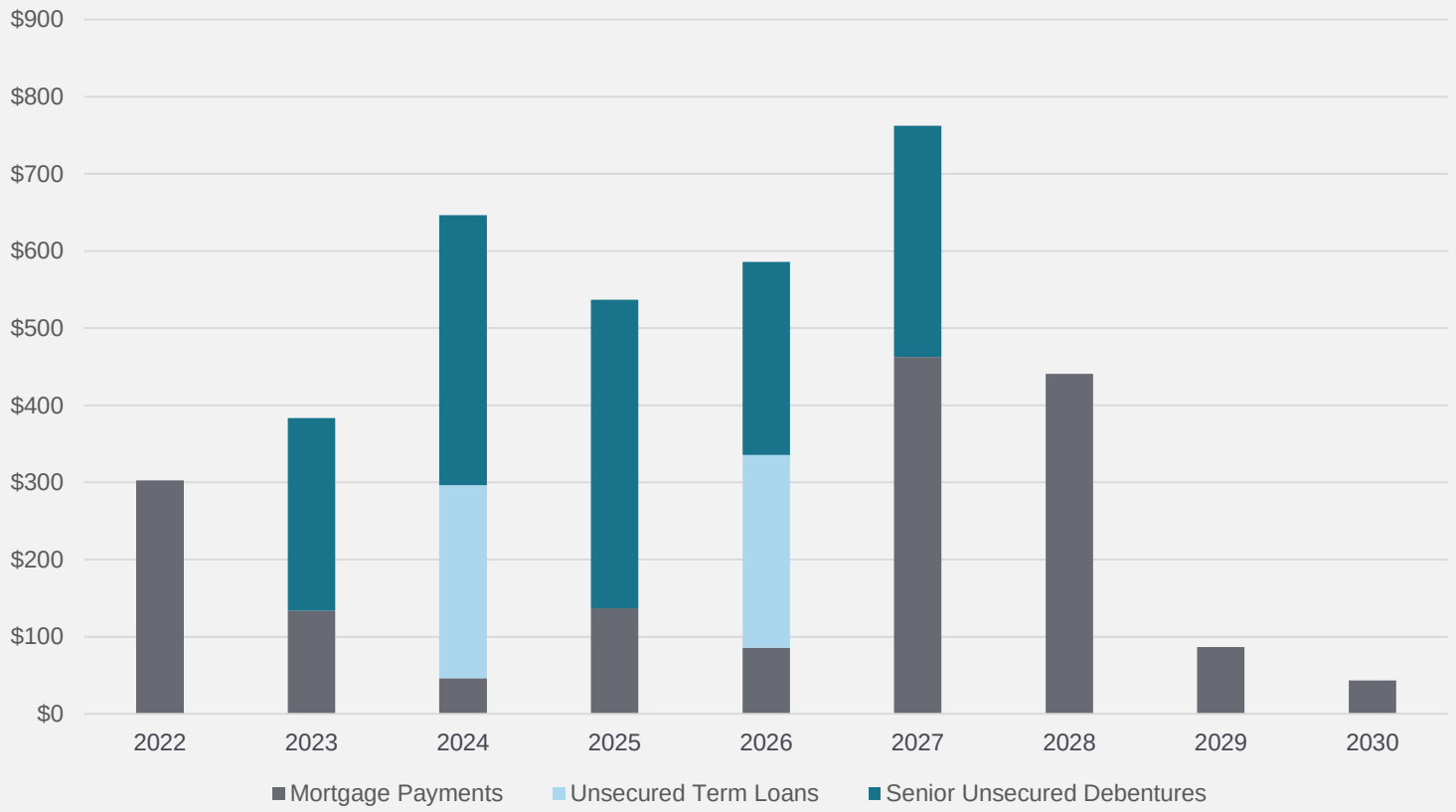
1. Excludes ECHO.
2. Debt includes mortgages payable, debentures payable, unsecured term loans and lines of credit.

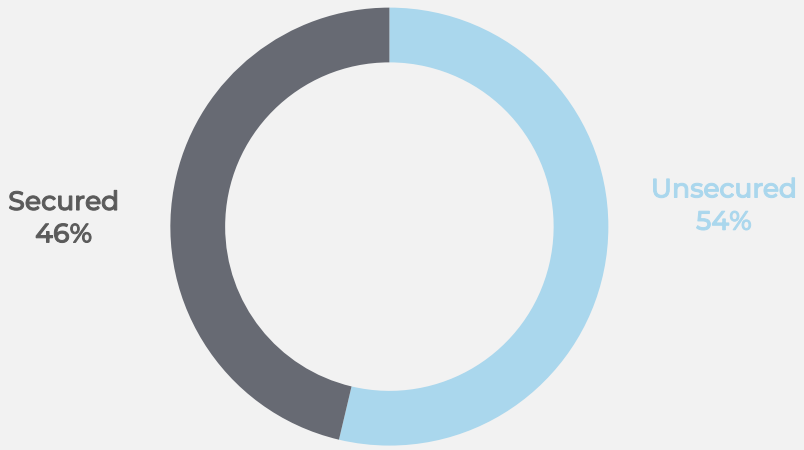
TARGET METRICS

Target business metrics support value creation strategies

Credit Metrics	Target
Debt / EBITDA	<9.2x
Debt to Gross Book Value	45-50%
Interest Coverage	>3.0x
Secured Debt / Total Debt	<40%
Unencumbered Assets / Unsecured Debt	>2.0x

Well-laddered debt maturity schedule
H&R Post Spin, January 1, 2022[1]





1. Per the REIT's Financial Statements.

SUSTAINABILITY AT H&R

Sustainability at H&R encompasses the Environmental, Social and Governance (ESG) features that can materially affect the long-term value of our company.

We believe that tracking both building performance and corporate metrics provides a better indication of overall achievement and helps contribute to our exceptional culture.

OUR APPROACH TO SUSTAINABILITY

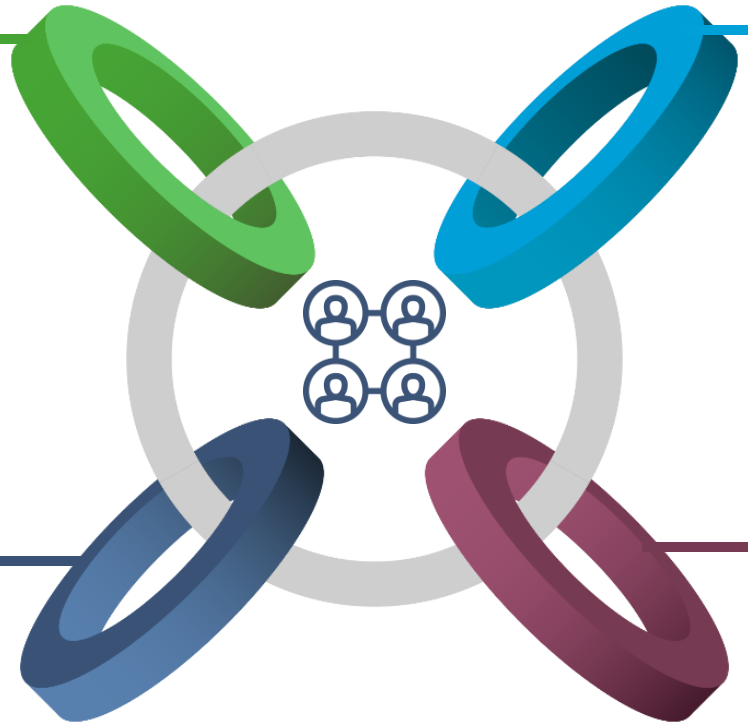
Integrate sustainability priorities into decision making across all stages of an asset's lifecycle

Strategic Planning

H&R's Executive team identifies and assesses material environmental, social and governance risk factors as an integral part of the strategic planning process.

Acquisitions

The Investment Committee oversees and approves acquisitions inline with the REIT's strategic plan. H&R conducts environmental due diligence prior to acquiring a property, including environmental assessments, undertaking further remedial action and monitoring where necessary.



Asset Management

Our Property Operations and Asset Management teams integrate sustainability opportunities into their daily management and tracking processes.

Development

Sustainability initiatives are incorporated into our development and redevelopment projects.

CLIMATE AND RESOURCE EFFICIENCY

In 2020, H&R expanded its reporting boundary to report utility consumption and emissions where H&R has control over utility usage and/or is able to access utility data. The result was an increase in data coverage[1] from 22% of 2018 usage (CDP 2019 Reporting) to 62% of 2019 usage (CDP 2020 Reporting). In 2021, data coverage has been further increased to 65%.

H&R's like-for-like Greenhouse Gas (GHG) market-based emissions decreased by over 10% in 2020 compared to 2019, equivalent to taking 2,093 passenger vehicles off the road.[2]

4.1 %

Reduction in normalized emissions intensity in 2019 vs. 2018 for H&R Utility Tracker properties.

H&R's like-for-like electricity use decreased by 9% in 2020 compared to 2019. This reduction is equivalent to the electricity use of 2,920 single-family homes in Ontario.[3]

H&R's like-for-like water use decreased by 9.6% in 2020 compared to 2019, equivalent to the annual household water use of 1,398 people.[4]

1. Complete or partial, as per Sustainability Accounting Standards Board (SASB) definitions
2. Greenhouse Gas Emissions from a Typical Passenger Vehicle (United States Environmental Protection Agency, 2018)
3. OEB Report: Defining Ontario's Typical Electricity Customer (Ontario Energy Board, 2018)
4. How much water do I use at home each day? (U.S. Geological Survey)

DIVERSITY AND INCLUSION

We recognize that to be successful in a multi-cultural world, we must embrace and adopt diversity outside of gender, including disability, age, ethnicity, business experience and sexual orientation. Such diversity is important to ensure that H&R can draw on a broad range of approaches, backgrounds, skills and experience to achieve effective stewardship and management.

As at H&R's 2021 Annual General Meeting, 30% of the Board of Trustees are female.

We are proud to share that WOMEN represent the following percentages of our team:

	2020	2019
Senior Executives	45%	33%
All Executives	42%	40%
Overall Workforce	47%	47%
Board of Trustees	25%	12.5%

GOVERNANCE PRACTICES

H&R has established policies governing the tenure and constitution of our Board of Trustees which will enhance diversity and reduce risk for our organization. Management and the Board review H&R's corporate governance practices regularly to ensure alignment with best practices and provide strong transparency to our unitholders.

- Tenure for all new Trustees is limited to 10 years.
- Beginning in 2016, the REIT has undertaken a comprehensive board renewal process, expanding from 5 to 10 members. This process was executed in a thoughtful and prudent manner, satisfying the need for change and new perspectives, while also allowing for continuity and retention of institutional memory.
- Women currently represent 30% of our Board, marking progress on the Board's diversity commitment and achieving the 30% Canada Club goal.
- Independent Board Chairperson.
- Say on Pay vote (95% support for 2021) strongly supports executive compensation.
- Expanded the minimum unit ownership to Trustees and all Executive Officers.
- Clawback policy applicable to all incentive compensation.

APPENDIX

River Landing
Miami, FL

Fact Sheet
Urban mixed-use property
341,000 sf of retail space
149,000 sf of office space
528 multi-residential rental units
1,000 feet of waterfront on Miami River, adjacent to the Health District, close to downtown Miami
Achieved final completion with the second residential tower being transferred from properties under development to investment properties in Q2 2021

Shoreline Gateway
Long Beach, CA

Fact Sheet
Land acquired July 16, 2018
H&R ownership: 31.2%
35-storey multi-residential tower consisting of 315 rental units
6,450 sf of retail space
Development budget: U.S. $71.1M at H&R's ownership interest
Construction financing: U.S. $41.1M secured at H&R's ownership interest
Will become the tallest multi-residential tower in Long Beach with views overlooking the Pacific Ocean
Expected to be completed in Q1 2022

Hercules
San Francisco, CA

PHASE II:
"The Grand at Bayfront"

232 multi-residential rental units including a state-of-the-art fitness center, bike shop, residents lounge and sporting club. Total development budget of U.S. $31.6 million and construction financing of U.S. $20.7 million has been secured, both at H&R's ownership interest. Expected to be completed in Q4 2021

H&R ownership: 31.7%

38.4 acres of land to be developed into a waterfront master planned community which will be surrounded by a future intermodal transit centre.

The Pearl
Austin, TX

Fact Sheet
Multi-residential development site
H&R Ownership: 33.3%
383 multi-residential units
Expected completion: Q4 2021
Close to major technology employers including Apple, IBM, Oracle and Samsung, as well as the University of Texas at Austin and downtown Austin
Development budget: U.S. $24.4M and construction financing of U.S. $16.0M has been secured, both at H&R's ownership interest

West Love

Dallas, TX

Location

Located in West Love mixed-use development with walkable retail and planned office. Proximity to the Dallas core/downtown allows for an easy to commute to numerous regional attractions. 5-minute drive to Southwest Airlines HQ, Dallas Love Field, and Dallas' largest medical district.

The Project

West Love will comprise of a five-storey, 400 unit multi-residential property. Construction is expected to commence in January 2022, with an expected completion date of 2023.

Midtown Park
Dallas, TX

Location

Short drive to Preston Hollow Village and North Park Mall, underscoring the affluent renter profile. Adjacent to North Central Express (Hwy 75), benefiting from over 275,000 passing vehicles per day. 5-minute drive to two separate large medical districts.

The Project

The project will comprise a five-storey building of 350 multi-residential units. Construction is expected to begin in 2022 and an expected completion date of 2024.

Bayside
Largo, FL

Location

Short drive to one of United States' top beaches (Clearwater). Adjacent to US Hwy 19, allowing for access to major employment centers across the Tampa MSA. 3-minute drive to Tech Data Corporation, Tampa's largest public company (#88 on Fortune 500).

The Project

The project will comprise a four-storey building of 300 multi-residential units. Construction is expected to begin in 2022 and an expected completion date of 2024.

3777 Kingsway
Burnaby, BC

Location

H&R has a 50% ownership interest in 3777 Kingsway, which is located along the Kingsway at the intersection with Boundary Rd., directly across from Central Park. The park is 220-acres of green space including walking trails, playgrounds, and other outdoor activities.

The Project

- In June 2020, H&R along with its partner, submitted a re-zoning application for the east and north portions of its 3777 & 3791 Kingsway sites
- The proposal could add four mixed-use high-density towers including retail and residential uses with approximately 2,200 multi-residential units area and 47,000 square feet of commercial area.

Re-zoning and site plan approval is expected in Q3 2022

145 Wellington St. W.
Toronto, ON

Location

145 Wellington St. W. is located at the junction of Toronto's Financial and Entertainment Districts

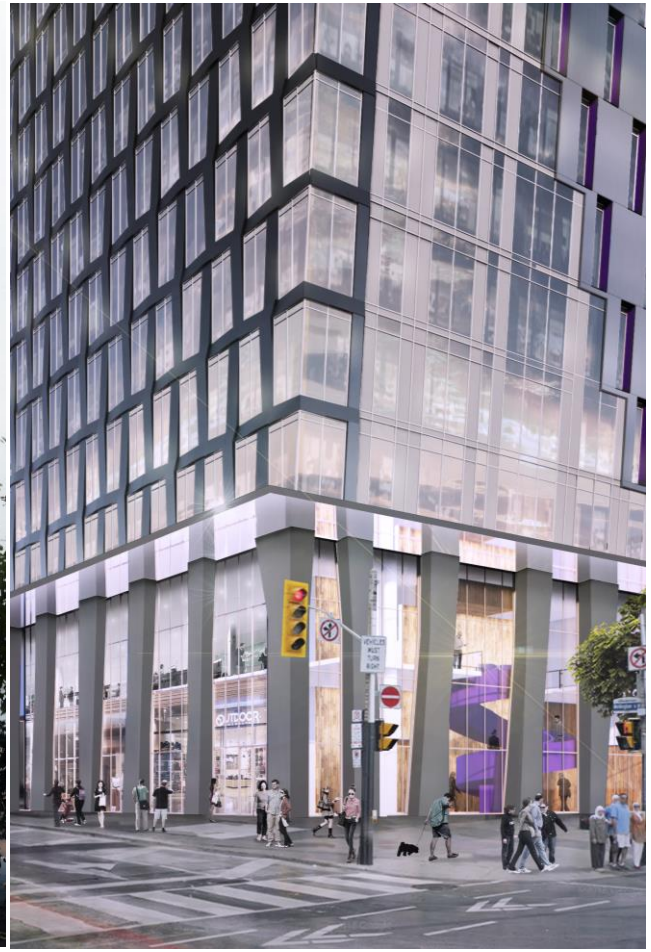
The Project

In August 2019, H&R submitted a rezoning and site plan approval application for the redevelopment of 145 Wellington St. W., which is currently a 13-storey office building

The proposed project would redevelop the subject site with a full office replacement in a new modern 13-storey podium, topped with a 47-storey residential tower, for an overall building height of 60 storeys

A total of 123,000 square feet of office space and 1,700 square feet of grade-related retail and 500 new multi-residential units is proposed

Re-zoning and site plan approval is expected in Q4 2021



55 Yonge
Toronto, ON

Location

55 Yonge is located in the heart of Toronto's Financial District.

The Project

The site encompass approximately 0.37 acres. The REIT submitted a re-zoning application in March 2021 to replace the existing 13-storey office building with a 66-storey residential and office tower with retail uses on the first two floors.

This further breaks down into approximately 12,000 square feet of retail space, 146,000 square feet of office space and 400 multi-residential units.

Obtain approval for re-zoning and site plan in Q1 2023

310 Front St.
Toronto, ON

Location

310 Front St. is located at the junction between Toronto's Financial and Entertainment Districts

The Project

In April 2021, H&R submitted a combined a re-zoning application and official plan amendment application for a 69-storey development including retail, residential and office uses

The development will replace the existing eight-storey office building at 310 Front St., and will integrate into H&R's larger office block which incudes 320 and 330 Front St.

The project will include approximately 118,000 square feet of office, 2,000 square feet of retail and 500 multi-residential units.

Obtain approval for re-zoning and site plan in Q1 2023