Flagship
Communities REIT

Management's Discussion and Analysis

For the three months ended March 31, 2021

May 10, 2021

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Presentation

This Management's Discussion and Analysis ("MD&A") is prepared as of May 10, 2021 and outlines Flagship Communities Real Estate Investment Trust's (the "REIT" or "Flagship") operating strategies, risk profile considerations, business outlook and analysis of its financial performance and financial condition for the three months ended March 31, 2021. The analysis provides a comparison to the REIT's financial forecast for the same period (the "Forecast") provided in the REIT's final prospectus dated September 28, 2020 (the "Prospectus").

This MD&A should be read in conjunction with the REIT's MD&A for the period from August 12, 2020 (date of formation) to December 31, 2020 (the "Annual MD&A"), the REIT's unaudited consolidated interim financial statements and accompanying notes for three months ended March 31, 2021, and the REIT's audited consolidated financial statements and accompanying notes for the period from August 12, 2020 (date of formation) to December 31, 2020. These documents, as well as additional information relating to the REIT (including the REIT's most recently filed annual information form (the "Annual Information Form")) can be accessed under the REIT's SEDAR profile at www.sedar.com or on the REIT's website at www.flagshipcommunities.com.

This MD&A is based on financial statements prepared by management in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. All amounts are stated in thousands of U.S. dollars, unless otherwise noted.

The trust units of the REIT ("Units") trade on the Toronto Stock Exchange in U.S. dollars under the symbol "MHC.U".

Forward Looking Statements

This MD&A contains statements that include forward-looking information (within the meaning of applicable Canadian securities laws). Forward-looking statements are identified by words such as "believe", "anticipate", "project", "expect", "intend", "plan", "will", "may", "can", "could", "would", "must", "estimate", "target", "objective" and other similar expressions, or negative versions thereof, and include statements herein concerning: the REIT's investment strategy and creation of long-term value; the REIT's intention to continue to expand in the Bowling Green Kentucky market; macro characteristics and trends in the United States real estate and housing industry, as well as the manufactured housing communities ("MHC") industry specifically; the continued ability of the REIT's MHCs to be stable or strengthen in the foreseeable future and over the longer term and the REIT's target indebtedness as a percentage of Gross Book Value. These statements are based on the REIT's expectations, estimates, forecasts and projections, as well as assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies that could cause actual results to differ materially from those that are disclosed in such forward-looking statements. While considered reasonable by management of the REIT as at the date of this MD&A, any of these expectations, estimates, forecasts, projections or assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those expectations, estimates, forecasts, projections or assumptions could be incorrect.

Material factors and assumptions used by management of the REIT to develop the forward-looking information in this MD&A include, but are not limited to, the REIT's current expectations about: vacancy and rental growth rates in MHCs and the continued receipt of rental payments in line with historical collections; demographic trends in areas where the MHCs are located; the impact of COVID-19 on the MHCs; further MHC acquisitions by the REIT; the applicability of any government regulation concerning MHCs and other residential accommodations, including as a result of COVID-19; the availability of debt financing and future interest rates; expenditures and fees in connection with the ownership of MHCs; and tax laws. When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as they are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risks and Uncertainties" herein and in the Annual MD&A, as well as risk factors discussed in the Annual Information Form. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, certain forward-looking statements included in this MD&A may be considered a "financial outlook" for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than to understand management's current expectations and plans relating to the future, as disclosed in this MD&A. Forward-looking statements are made as of the date of this MD&A and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant estimates, judgments and assumptions include the fair values assigned to investment properties. Actual results may differ from these estimates.

Non-IFRS Financial Measures

In this MD&A, the REIT uses certain financial measures that are not defined under International Financial Reporting Standards ("IFRS"), including certain real estate industry metrics, to measure, compare and explain the operating results and financial performance of the REIT. These measures are commonly used by entities in the real estate industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS.

Funds from Operations and Adjusted Funds from Operations

In February 2019, the Real Property Association of Canada ("REALPAC") published a white paper titled "White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS". The purpose of the white paper is to provide reporting issuers and investors with guidance on the definition of funds from operations ("FFO") and adjusted funds from operations ("AFFO") and to help promote more consistent disclosure from reporting issuers. FFO is defined as IFRS consolidated net income adjusted for items such as distributions on redeemable or exchangeable units recorded as finance cost under IFRS (including distributions on the class B units of Flagship Operating, LLC ("Class B Units"), unrealized fair value adjustments to investment properties, loss on extinguishment of acquired mortgages payable, gain on disposition of investment properties and depreciation. FFO should not be construed as an alternative to net income (loss) or cash flows provided by or (used in) operating activities determined in accordance with IFRS. The REIT's method of calculating FFO is substantially in accordance with REALPAC's recommendations but may differ from other issuers' methods and, accordingly, may not be comparable to FFO reported by other issuers. Refer to section "Reconciliation of Non-IFRS Financial Measures" for a reconciliation of FFO to AFFO to net income.

AFFO is defined as FFO adjusted for items such as maintenance capital expenditures, and certain non-cash items such as amortization of intangible assets, premiums and discounts on debt and investments. AFFO should not be construed as an alternative to net income (loss) or cash flows provided by or (used in) operating activities determined in accordance with IFRS. The REIT's method of calculating AFFO is substantially in accordance with REALPAC's recommendations. The REIT uses a capital expenditure reserve of $60 (dollars/annual) per lot and $1,000 (dollars/annual) per rental home in the AFFO calculation. This reserve is based on management's best estimate of the cost that the REIT may incur, related to maintaining the investment properties. This may differ from other issuers' methods and, accordingly, may not be comparable to AFFO reported by other issuers. Refer to section "Reconciliation of Non-IFRS Financial Measures" for a reconciliation of AFFO to net income.

The REIT believes these non-IFRS financial measures and ratios provide useful supplemental information to both management and investors in measuring the operating performance, financial performance and financial condition of the REIT. The REIT also uses AFFO in assessing its distribution paying capacity.

Net Operating Income

Net operating income ("NOI") is defined as total revenue from properties (i.e., rental revenue and other property income) less direct property operating expenses in accordance with IFRS. NOI should not be construed as an alternative to net income determined in accordance with IFRS. The REIT's method of calculating NOI may differ from other issuers' methods and, accordingly, may not be comparable to NOI reported by other issuers. The REIT regards NOI as an important measure of the income generated from the income producing properties and uses NOI in evaluating the performance of the REIT's properties. It is also a key input in determining the value of the REIT's properties. Refer to section "Reconciliation of Non-IFRS Financial Measures" for a reconciliation of NOI to net income.

Other Real Estate Industry Metrics

Additionally, this MD&A contains several other real estate industry metrics that could be considered non-IFRS financial measures:

- "AFFO payout ratio" is defined as total cash distributions of the REIT (including distributions on Class B Units) divided by AFFO.
- "Debt to Gross Book Value Ratio" is calculated by dividing indebtedness, which consists of the total principal amounts outstanding under mortgages payable and credit facilities, by Gross Book Value (as defined below).
- "Gross Book Value" means, at any time, the greater of: (a) the value of the assets of the REIT and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with IFRS, less the amount of any receivable reflecting interest rate subsidies on any debt assumed by the REIT; and (b) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents, (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations.
- "NOI margin" is defined as NOI divided by total revenue.
- "Same Community" results are, initially, the results of the Initial Communities (as defined below) and such measure is used by management to evaluate period-over-period performance of investment properties throughout both respective periods. These results remove the impact of dispositions or acquisitions of investment properties.
- "Liquidity" is defined as (a) cash and cash equivalents (unrestricted), plus (b) borrowing capacity available under any existing credit facilities.

Business Overview

Flagship Communities Real Estate Investment Trust is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust dated as of August 12, 2020 (as subsequently amended and restated, the "Declaration of Trust") under the laws of the Province of Ontario. The registered office of the REIT is located at 199 Bay Street, Suite 4000, Toronto, Ontario, M5L 1A9, Canada. The head office of the REIT is located at 467 Erlanger Road, Erlanger, Kentucky, 41018, United States. The REIT has been formed for the purpose of owning and operating a portfolio of income-producing MHCs and related assets, all of which are located in the United States.

The operations of the REIT commenced on October 7, 2020 when it completed its initial public offering ("IPO") of 6,250,000 Units) for gross proceeds of $93,750. Following certain reorganization transactions, upon closing of the IPO, the vendor of certain of the REIT's initial MHCs merged with and into Flagship Operating, LLC, a limited liability company subsidiary of the REIT, and the vendor of certain further of the REIT's initial MHCs was contributed to Flagship Operating, LLC. As a result, upon completion of the merger and contribution, and certain related transactions, some of which took place on November 2, 2020, all of the REIT's initial MHCs and the remaining assets comprising the REIT's initial "portfolio" are now indirectly held by the REIT through its indirect ownership of Flagship Operating, LLC. The initial portfolio was comprised of 45 MHCs with 8,255 lots located in the following four contiguous states in the U.S.: (i) Kentucky; (ii) Indiana; (iii) Ohio; and (iv) Tennessee (the "Initial Communities"). The Initial Communities are strategically concentrated in key markets where REIT management has comprehensive knowledge and experience, including the REIT's largest markets of Louisville, Cincinnati and Evansville. Proceeds from the IPO were also used to repay approximately $13,600 of indebtedness and to fund transaction costs associated with the offering.

On October 22, 2020, pursuant to the exercise of the over-allotment option granted to the underwriters in connection with the IPO, the REIT issued an additional 937,500 Units at $15.00 per Unit, resulting in gross proceeds of $14,063. Total costs for underwriters' fees was $894, resulting in net proceeds of $13,169. The net proceeds from the exercise of the over-allotment option have been used by the REIT to fund further acquisitions and for general business purposes.

On December 17, 2020, the REIT announced the acquisition (and pending acquisition) of seven MHCs consisting of 379 lots for approximately $12,900. The acquisitions were all within the REIT's existing geographic footprint with three MHCs (197 lots) in Evansville, Indiana, two MHCs (101 lots) in Northern Kentucky, and two MHCs (81 lots) in Paducah, Kentucky.

On February 9, 2021, the REIT announced the acquisition of two new MHCs consisting of an aggregate of 151 lots and the acquisition of 8 additional lots adjacent to a current community, for an aggregate purchase price of approximately $6,050. One new community is within the REIT's existing geographic footprint with 77 lots in the Louisville Kentucky market. The second new community, however, is Flagship's first entry into the Bowling Green Kentucky market. This community has 74 lots and is located approximately 60 miles north of Nashville Tennessee.

As of March 31, 2021, the REIT owned a 100% interest in a portfolio of 54 MHCs with 8,793 lots located in the following four contiguous states: (i) Kentucky; (ii) Indiana; (iii) Ohio; and (iv) Tennessee. These MHCs are strategically concentrated in key markets where management has comprehensive knowledge and experience, including the REIT's largest markets of Louisville, Cincinnati and Evansville. The REIT also owns a fleet of approximately 750 manufactured homes for lease to residents.

The REIT is internally managed by a vertically integrated team of seasoned MHC professionals with expertise across the spectrum of real estate investment management, including: acquisitions, underwriting, financing, asset management, property management, operations, development and redevelopment, accounting, regulatory affairs, marketing and human resources. Management of the REIT has extensive experience with the Initial Communities, having operated all of the Initial Communities since the date of their respective acquisition and, in the case of one Initial Community, development.

The primary objectives of the REIT are to:

- Provide holders ("Unitholders") of Units an opportunity to invest in a portfolio of MHCs located in attractive U.S. markets;
- Provide Unitholders with predictable, sustainable and growing cash distributions;
- Enhance the value of the REIT's portfolio and maximize the long-term value of the Units through proactive asset and property management, disciplined capital management and value-add investment opportunities; and
- Expand the asset base of the REIT in its existing operational footprint and target growth markets by leveraging management's extensive industry experience and relationships to acquire MHCs that are expected to be accretive to the REIT's net asset value and AFFO per Unit.

COVID-19 Update

A sizable number of Flagship REIT residents have been able to maintain their employment through the COVID-19 pandemic or are on fixed incomes from retirement, pensions, or disability income. The majority of Flagship REIT's residents are working or retired and most recently received a minimum of $1,400 per person including children, from the President Biden stimulus bill. These stimulus checks are in addition to jobless benefits, child tax credits, health insurance subsidies and rent relief.

During the first quarter 2021, Flagship REIT partnered with The Northern Kentucky Health Department to deploy COVID-19 vaccines to residents of several Flagship REIT communities. To date, vaccine clinics have operated at Heartland Pointe in Elsmere, Kentucky, Derby Hills in Alexandria, Kentucky and Mosby's Pointe in Florence, Kentucky. Nearly 700 community residents received their vaccines.

Flagship REIT believes COVID-19 has amplified the benefits of MHCs versus multi-family apartments. Multi-family apartments typically have smaller living spaces, fewer bedrooms and bathrooms, shared indoor walls, shared laundry facilities, common areas and HVAC systems. Given the current landscape, these conditions, especially the shared facilities and common areas, are sub-optimal when everyone is mindful of social distancing requirements.

Flagship REIT will continue to closely monitor COVID-19 developments and will update health and safety policies as required to ensure the highest level of safety for the REIT's residents and employees.

Financial Highlights

Three months ended March 31, 2021

- Revenue for the three months ended March 31, 2021 was $9,649, which is $661 higher than the Forecast.
- Same Community Revenue for the three months ended March 31, 2021 was $9,097, which is $109 higher than the Forecast.
- Net income and comprehensive income for the period three months ended March 31, 2021 was $6,631, which is $4,541 higher than the Forecast.

- NOI for the three months ended March 31, 2021 was $6,440, which is $606 higher than the Forecast.
- Same Community NOI for the three months ended March 31, 2021 was $6,160, which is $326 higher than the Forecast.
- NOI Margin for the three months ended March 31, 2021 was 66.7%, which exceeded the Forecast of 64.9%
- Same Community NOI Margin for the three months ended March 31, 2021 was 67.7%, which exceeded the Forecast of 64.9%
- AFFO for the three months ended March 31, 2021 of $3,028 exceeded the Forecast by 23.8%
- Same Community occupancy increased by 0.6% as of March 31, 2021 as compared to December 31, 2020.
- Rent collections for the three months ended March 31, 2021 was 99%, which is a slight increase from the REIT's past operations from October 7, 2020 to December 31, 2020.
- On February 9, 2021, the REIT announced the acquisition of two new MHCs consisting of an aggregate of 151 lots and the acquisition of 8 additional lots adjacent to a current community, for an aggregate purchase price of approximately $6,050 along with $131 of capitalized acquisition cost.

As part of the acquisitions announced on February 9, 2020, the REIT moved into the Bowling Green, Kentucky market with the purchase of a 74 lot community. A 96% occupied community, Hamilton Pointe is approximately two hours from Paducah to the southwest and from Louisville to the north, which is home to many current REIT communities. Located 60 miles north of Nashville, Bowling Green is the third-most populous city in the state of Kentucky after Lexington and Louisville. Significant companies in Bowling Green include the GM Corvette assembly plant, Fruit of the Loom/Russell Athletics, Camping World and the third largest public university in the state, Western Kentucky University. Management believes that by entering the Bowling Green market, it opens up a strategic area, strengthening the REIT's presence in southwestern Kentucky. The REIT will look to continue to expand in this market consistent with the REIT's clustering strategy designed to maximize operating efficiencies and provide opportunities for rent growth similar to the REIT's other market strongholds.

Subsequent to March 31, 2021

- On April 21, 2021, the REIT completed a $3,000 financing secured by its Harmony Pointe MHC. The debt is fixed rate at 3.09% for 20 years and 72 months of interest only.

Amounts in Thousands of US Dollars (except for per unit amounts)

- On May 7, 2021, the REIT filed a (final) short form base shelf prospectus, pursuant to which, for a period of 25 months thereafter, the REIT (and Unitholders) may sell up to an aggregate of $300,000 of (i) Units; (ii) senior or subordinated unsecured debt securities of the REIT; (iii) subscription receipts; (iv) warrants; and (v) securities comprised of more than one of the foregoing, or any combination thereof. This filing provides the REIT with the flexibility to access debt and equity markets on a timely basis.

Business Performance Measures

The following table presents an overview of certain performance measures of the REIT as of March 31, 2021 and for the three months ended March 31, 2021.

Performance measures		
Total communities as of March 31, 2021		54
Total lots as of March 31, 2021		8,793
Weighted average lot rent as of March 31, 2021	$	361
Occupancy as of March 31, 2021		80.2%
Total revenues	$	9,649
Net income and comprehensive income	$	6,631
Net income and comprehensive income per unit (basic)	$	0.92
Net income and comprehensive income per unit (diluted)	$	0.52
Distribtutions Declared per Share (Units)	$	0.128
Distribtutions Declared per Share (B Units)	$	0.128
NOI*	$	6,440
NOI Margin*		66.7%
FFO*	$	3,498
FFO Per Unit* (diluted)	$	0.276
AFFO*	$	3,028
AFFO Per Unit* (diluted)	$	0.239
AFFO Payout Ratio*		53.3%
Weighted average units (basic)		7,226,185
Weighted average units (diluted)		12,659,125
Debt to Gross Book Value as of March 31, 2021		46.9%
Weighted average mortgage Interest Rate		3.50%
Weighted average mortage term		9.6

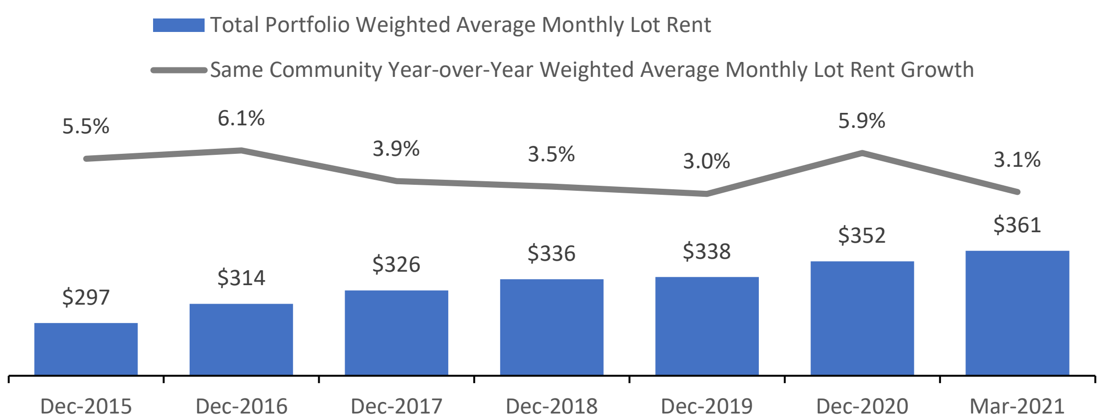
**These measures are not recognized under IFRS and do not have standardized meanings prescribed by IFRS. Refer to section "Non-IFRS Financial Measures". FFO per unit and AFFO per unit are calculated by using FFO and AFFO, divided by the diluted weighted average unit count (including Class B Units) for the three months ended March 31, 2021.*

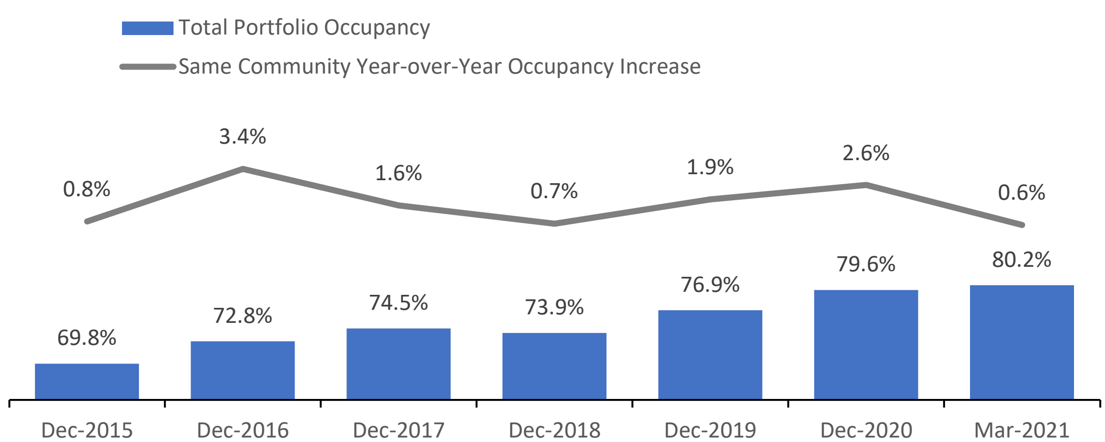
Amounts in Thousands of US Dollars (except for per unit amounts)

The following table highlights certain information about communities as of March 31, 2021, organized by Metropolitan Statistical Area ("MSA"):

MSA	State	Number of lots	Average monthly lot rent	Occupancy
Louisville	Kentucky	3,251	$382	81.1%
Cincinnati	Ohio	2,372	$387	86.7%
Evansville	Indiana	2,191	$320	69.6%
Other		979	$307	85.1%
		8,793	$361	80.2%

The charts below show the total portfolio weighted average lot rent and occupancy as well as the Same Community weighted average lot rent and occupancy since 2015:





Amounts in Thousands of US Dollars (except for per unit amounts)

The following table highlights certain financial performance measures of the REIT for the three months ended March 31, 2021.

	For the three months ended March 31, 2021		
	Actual results	Forecast	Variance
Revenue, total portfolio	$ 9,649	$ 8,988	$ 661
Revenue, Same Community* properties	$ 9,097	$ 8,988	$ 109
Revenue, acquisitions	$ 552	-	$ 552
Net income (loss) and comprehensive income (loss)	$ 6,631	2,090	$ 4,541
NOI*, Total Portfolio	$ 6,440	$ 5,834	$ 606
NOI * , Same Community* properties	$ 6,160	$ 5,834	$ 326
NOI * , acquisitions	$ 280	-	$ 280
NOI Margin*, total portfolio	66.7%	64.9%	1.8%
NOI margin*, Same Community* properties	67.7%	64.9%	2.8%
NOI Margin*, Acqusitions	50.7%	-	50.7%
FFO*	$ 3,498	$ 2,813	$ 685
FFO Per Unit* (excluding over allotment)	N/A	$ 0.240	N/A
FFO Per Unit* (including over allotment)	$ 0.276	$ 0.222	$ 0.054
AFFO*	$ 3,028	$ 2,445	$ 582
AFFO per Unit* (excluding over allotment)	N/A	$ 0.209	N/A
AFFO per Unit* (including over allotment)	$ 0.239	$ 0.193	$ 0.046
AFFO Payout Ratio* (exluding over allotment)	N/A	61.1%	N/A
AFFO Payout Ratio* (including over allotment)	53.3%	66.0%	-12.7%

**These measures are not recognized under IFRS and do not have standardized meanings prescribed by IFRS. Refer to section “Non-IFRS Financial Measures”.*

As previously noted, on October 22, 2020, pursuant to the IPO underwriters’ exercise of the over-allotment option, the REIT issued an additional 937,500 Units. The table above lays out FFO per unit, AFFO per unit, and AFFO payout ratio with and without the effects of the exercise of the over-allotment option. The Pro-rated “Forecast” for AFFO and FFO per unit (excluding the exercise of the over-allotment option) is calculated by dividing forecasted AFFO/FFO by the weighted average number of shares for the for the three months ended March 31, 2021 excluding the 937,500 units issued pursuant to the exercise of the over-allotment option. The Pro-rated “Forecast” for AFFO and FFO per unit (including the exercise of the over-allotment option) is calculated by dividing AFFO/FFO by the weighted average number of shares for the for the three months ended March 31, 2021 including the 937,500 units issued pursuant to the exercise of the over-allotment option. All per unit measures included in the table above are diluted (including Class B Units.)

Amounts in Thousands of US Dollars (except for per unit amounts)

Selected Quarterly Financial Information

Performance measures		For the three months ended March 31, 2021		For the period October 7, 2020 through December 31, 2020
Total communities as of March 31, 2021		54		52
Total lots as of March 31, 2021		8,793		8,634
Weighted average lot rent as of March 31, 2021	$	361	$	352
Occupancy as of March 31, 2012		80.2%		79.6%
Total revenues	$	9,649	$	8,304
Net income and comprehensive income	$	6,631	$	47,338
Net income and comprehensive income per unit (basic)	$	0.92	$	6.71
Net income and comprehensive income per unit (diluted)	$	0.52	$	3.86
NOI*	$	6,440	$	5,497
NOI Margin*		66.7%		66.2%
FFO*	$	3,498	$	2,697
FFO Per Unit* (diluted)	$	0.276	$	0.220
AFFO*	$	3,028	$	2,227
AFFO Per Unit* (diluted)	$	0.239	$	0.182
AFFO Payout Ratio*		53.3%		67.0%

**These measures are not recognized under IFRS and do not have standardized meanings prescribed by IFRS. Refer to section “Non-IFRS Financial Measures”.*

The AFFO/FFO per Unit amounts in the table above are calculated by dividing AFFO/FFO by the weighted average number of Units (diluted to include the Class B Units) for the applicable period.

Amounts in Thousands of US Dollars (except for per unit amounts)

Review of Selected Operating Information – Q1 2021

The following tables highlight selected financial information of the REIT for the three months ended March 31, 2021 compared to the REIT's Forecast provided in the REIT's final prospectus dated September 28, 2020. This information has been compiled from the consolidated financial statements and notes thereto and should be read in conjunction with the IFRS consolidated financial statements and notes.

	For the three months ended March 31, 2021	Forecast	Variance
Revenue			
Rental Revenue	$ 9,649	$ 8,988	$ 661
Expenses (Income)			
Property operating expenses	$ 3,209	$ 3,154	$ 55
General and administrative	$ 1,291	$ 1,253	$ 38
Finance costs from operations	$ 1,917	$ 2,026	$ (109)
Accretion of mark-to-market adjustment on mortgage payable	$ (257)	$ (257)	$ -
Depreciation and amortization	$ 33	$ 29	$ 4
Other (income)	$ (9)	$ -	$ (9)
Fair value adjustment - Class B units	$ 2,282	$ -	$ 2,282
Distributions on Class B units	$ 693	$ 693	$ -
Fair value gain on investment properties	$ (6,193)	$ -	$ (6,193)
Transaction Costs	$ 52	$ -	$ 52
	$ 3,018	$ 6,898	$ (3,880)
Net income (loss) and comprehensive income (loss)	$ 6,631	$ 2,090	$ 4,541

Revenue

	For the three months ended March 31, 2021	Forecast	Variance	Variance %
Rental Revenue	$ 9,649	$ 8,988	$ 661	7.4%

Rental revenue consists of lot rent, home rent, utility reimbursements, and other miscellaneous income collected at the communities. The higher revenue as compared to the Forecast of $661 was primarily driven by acquisitions since time of the IPO. New acquisitions accounted for $552 increase versus the Forecast. Same Community revenues were approximately $109 higher than the Forecast, driven by unanticipated utility reimbursements and quarterly revenue sharing payments from cable contracts.

Amounts in Thousands of US Dollars (except for per unit amounts)

Property Operating Expenses

	For the three months ended March 31, 2021	Forecast	Variance	Variance %
Operating expenses	$ 3,209	$ 3,154	$ (55)	-1.7%

Operating expenses are comprised mainly of common area and maintenance expenses, payroll, insurance, property taxes and other costs associated with the management and maintenance of the investment properties. Operating expenses for communities acquired after the IPO were $272. These costs were not included in the Forecast. Same Community operating expenses offset much of this increase primarily driven by payroll and benefits and utilities which were $108 and $67 better than Forecast respectively. In total, Same Community operating expenses finished $217 better than forecast.

The table below provides a breakdown of operating expenses for the period:

Operating Expenses	For the three months ended March 31, 2021
Utilities	$ 1,224
Payroll and benefits	$ 733
Taxes and insurance	$ 723
Repairs and maintenance	$ 209
Other	$ 320
Total Operating Expenses	$ 3,209

General and Administrative

	For the three months ended March 31, 2021	Forecast	Variance	Variance %
General and administrative	$ 1,291	$ 1,253	$ (38)	-3.0%

General and administrative expenses include legal fees, audit fees, salaries and benefits for certain REIT employees, trustee fees, transfer agent fees, insurance and other administrative costs. The $38 higher spend compared to the Forecast is the result of higher than forecasted legal and consulting fees in the quarter which was partially offset by savings in payroll.

Amounts in Thousands of US Dollars (except for per unit amounts)

The table below provides a breakdown of general and administrative expenses:

General and administrative		For the three months ended March 31, 2021
Payroll and benefits	$	652
Legal / Consulting	$	223
Audit and tax fees	$	111
Taxes and insurance	$	89
Trustee fees	$	64
Other	$	152
Total General and administrative	$	1,291

Fair Value Gain on Investment Properties

In accordance with IFRS, management has elected to use the fair value model to account for investment properties. Overall, the fair value of investment properties increased by $6,193 for the three months ended March 31, 2021, as compared to no change in the Forecast. Fair value adjustments were determined based on the movement of various parameters, including changes in NOI and capitalization rates. The major driver of this increased fair value for the period was an increase in revenue across the portfolio related to the rent increases during the period driving growth in the annual NOI.

Other Expense (Income)

	For the three months ended March 31, 2021	Forecast	Variance	Variance %
Other (income)	$ (9)	$ -	$ 9	-

Other expense (income) is made up of property management fees and asset management fees that the REIT charges to Empower Park, LLC ("Empower"). Other income was higher than the Forecast due to unforecasted management fees charged to Empower in the period.

Finance Cost from Operations

	For the three months ended March 31, 2021	Forecast	Variance	Variance %
Finance costs from operations	$ 1,917	$ 2,026	$ 109	5.4%

Finance costs from operations consist of interest expense on loans and borrowings, amortization of deferred financing costs and other miscellaneous interest expense. For this period, interest expense on loans and borrowings accounts accounted for $1,862 and miscellaneous interest expense was $55. Amortized deferred financing cost was $0 for the period versus $104 in the Forecast, accounting for the majority of the variance.

Amounts in Thousands of US Dollars (except for per unit amounts)

Distributions on Class B Units

The Class B Units are redeemable for cash or Units, at the option of the REIT, and, therefore, the Class B Units meet the definition of a financial liability under IAS 32. The distributions paid to the holders of Class B Units are treated as interest expense and reflected on the Statement of Net Income and Comprehensive Income within the REIT's financial statements. There was no variance in the actual distributions paid to the holders of Class B Units as compared to the Forecast for the three months ended March 31, 2021.

Fair Value Adjustment - Class B Units

For the three months ended March 31, 2021, the REIT recognized a fair value loss on Class B Units of $2,282. Class B Units are measured at fair value with any changes in fair value recorded in profit or loss. These Class B Units carried a 12-month selling restriction from issue date which was deemed to be an attribute of the units. This attribute required that the unit value be discounted at the end of the period. The fair value at March 31, 2021 was calculated using the Unit closing price as of the end of the reporting period and applying a discount rate that took into consideration the remaining hold period along with the volatility of comparable the Units.

Transaction Costs

Transaction costs are costs that are expensed as a result of the purchase of a property (or group of properties) being accounted for as a business combination. These costs would include various legal, accounting, insurance, and other fees. All transaction costs incurred for the three months ended March 31, 2021, were legal fees related to the acquisition of the Initial Communities. The total transaction costs for the period were $52.

Net Income and Comprehensive Income

	For the three months ended March 31, 2021	Forecast	Variance	Variance %
Net income and comprehensive Income	$ 6,631	$ 2,090	$ 4,541	217.3%

Net income and comprehensive income for the three months ended March 31, 2021 was $4,541 more than the Forecast as result of the fair value gain on investment properties partially offset by the fair value loss on Class B Units, neither of which were considered in the Forecast.

Amounts in Thousands of US Dollars (except for per unit amounts)

NOI, FFO, AFFO

Below is a summary of the NOI, FFO and AFFO for the three months ended March 31, 2021. The weighted average unit count (diluted) for the three months ended March 31, 2021 was 12,659,125. As of March 31, 2021, there were 12,659,125 Units outstanding (including the combined number of Units and Class B Units.

	For the three months ended March 31, 2021	Forecast	Variance	Variance %
NOI*	$ 6,440	$ 5,834	$ 606	10.4%
NOI Margin*	66.7%	64.9%	1.8%	2.8%
FFO*	$ 3,498	$ 2,813	$ 685	24.4%
FFO Per Unit* (excluding over allotment)	N/A	$ 0.240	N/A	N/A
FFO Per Unit* (including over allotment)	$ 0.276	$ 0.222	$ 0.054	24.3%
AFFO*	$ 3,028	$ 2,445	$ 582	23.8%
AFFO per Unit* (excluding over allotment)	N/A	$ 0.209	N/A	N/A
AFFO per Unit* (including over allotment)	$ 0.239	$ 0.193	$ 0.046	23.8%
AFFO Payout Ratio* (exluding over allotment)	N/A	61.1%	N/A	N/A
AFFO Payout Ratio* (including over allotment)	53.3%	66.0%	-12.7%	-19.2%

**These measures are not recognized under IFRS and do not have standardized meanings prescribed by IFRS. Refer to section "Non-IFRS Financial Measures".*

As previously noted, on October 22, 2020, pursuant to the exercise of the over-allotment option, the REIT issued an additional 937,500 Units. The table above lays out FFO per unit, AFFO per unit, and AFFO payout ratio with and without the effects of the exercise of the over-allotment option. The Pro-rated "Forecast" for AFFO and FFO per unit (excluding the exercise of over-allotment option) is calculated by dividing AFFO by the weighted average number of for the three months ended March 31, 2021 excluding the 937,500 units issued pursuant to the exercise of the over-allotment option. The Pro-rated "Forecast" for AFFO and FFO per unit (including the exercise of over-allotment option) is calculated by dividing AFFO by the weighted average number of for the three months ended March 31, 2021 including the 937,500 units issued pursuant to the exercise of the over-allotment option. All per unit measures included in the table above are diluted (including Class B Units.)

Amounts in Thousands of US Dollars (except for per unit amounts)

Reconciliation of Non-IFRS Financial Measures

FFO, FFO per Unit, AFFO and AFFO per Unit

The REIT uses the following non-IFRS key performance indicators: FFO, FFO Per Unit, AFFO, AFFO per Unit. The calculations of these measures and the reconciliation to net income (loss) and comprehensive income (loss) are set out in the following table:

		For the three months ended March 31, 2021
Net income and comprehensive income	$	6,631
Adjustments to arrive at FFO		
Depreciation	$	33
Fair value Adjustment Class B Units	$	2,282
Distributions on Class B units	$	693
Fair value adjustment investment properties	$	(6,193)
Transaction costs	$	52
Funds from Operations ("FFO")	$	3,498
FFO Per Unit* (diluted)	$	0.276
Adjustments to arrive at FFO		
Accretion of mark-to-market adjustment on mortgage payable	$	(257)
Capital Expenditure Reserves	$	(213)
Adjusted Funds from Operations ("AFFO")	$	3,028
AFFO Per Unit* (diluted)	$	0.239

**FFO per unit and AFFO per unit are calculated by using FFO and AFFO, divided by the diluted weighted average unit count (including Class B Units) for the three months ended March 31, 2021.*

In the calculation of AFFO, the REIT uses a capital expenditure reserve of $60 (dollars/annual) per lot and $1,000 (dollars/annual) per rental home. This reserve is based on management's best estimate of the cost that the REIT may incur, related to maintaining the investment properties. For the three months ended March 31, 2021, the capital expenditure reserve was $213 as compared to actual spend of $217.

Amounts in Thousands of US Dollars (except for per unit amounts)

NOI and NOI Margin

The REIT uses the following non-IFRS key performance indicators: NOI and NOI Margin. The calculations of these measures and the reconciliation to net income and comprehensive income are set out in the following table:

	For the three months ended March 31, 2021	
Net income and comprehensive income	$	6,631
Adjustments to arrive at NOI		
General and administrative	$	1,291
Finance costs from operations	$	1,917
Accretion of mark-to-market adjustment on mortgage payable	$	(257)
Depreciation and amortization	$	33
Other (income)	$	(9)
Fair value adjustment - Class B units	$	2,282
Distributions on Class B units	$	693
Fair value gain on investment properties	$	(6,193)
Transaction Costs	$	52
NOI	$	6,440

The table below lays out the reconciliation of the REIT's NOI and NOI Margin for the three months ended March 31, 2021.

	For the three months ended March 31, 2021	
Total revenue	$	9,649
Property operating expenses	$	3,209
Net Operating Income ("NOI")	$	6,440
NOI Margin		66.7%

Debt to Gross Book Value

The following table lays out the REIT's Debt to Gross Book Value as of March 31, 2021.

	As of March 31, 2021	
Mortgages payable (current portion)	$	521
Mortgages payable (non-current portion)	$	212,355
Total mortages payable ("Debt")	$	212,877
Gross Book Value	$	453,421
Debt to Gross Book Value		46.9%

Amounts in Thousands of US Dollars (except for per unit amounts)

Liquidity and Capital Resources

As of March 31, 2021, the capital structure of the REIT was as follows:

		As of March 31, 2021
Indebtedness		
Mortgages payable (current portion)	$	521
Mortgages payable (non-current portion)	$	212,355
Class B Units	$	75,681
	$	288,557
Unitholders equity		
Unitholders equity	$	152,095
Total capitalization	**$**	**440,652**

Liquidity and capital resources are used to fund capital investments in the investment properties, acquisition activities, servicing of debt obligations and distributions to Unitholders. The principal source of liquidity is cash flow generated from property operations. For the three months ended March 31, 2021, net cash from operating activities was $5,187. Business operations are also financed using property-specific mortgages, and equity financing.

As of March 31, 2021, liquidity was $6,454 consisting of cash and cash equivalents.

The REIT expects to be able to meet all obligations as they become due using some or all of the following sources of liquidity:

- cash flow generated from property operations;
- property-specific mortgages; and
- existing cash and cash equivalents on hand

In addition, subject to market conditions, the REIT may raise funding through equity financing. On May 7, 2021, the REIT filed a (final) short form base shelf prospectus, pursuant to which, for a period of 25 months thereafter, the REIT (and Unitholders) may sell up to an aggregate of $300,000 of (i) Units; (ii) senior or subordinated unsecured debt securities of the REIT; (iii) subscription receipts; (iv) warrants; and (v) securities comprised of more than one of the foregoing, or any combination thereof. This filing provides the REIT with the flexibility to access debt and equity markets on a timely basis.

The REIT believes that its capital structure will provide it with financial flexibility to pursue future growth strategies. However, the REIT's ability to fund operating expenses, capital expenditures and future debt service requirements will depend on, among other things, future operating performance, which will be affected by general economic, industry, financial and other factors, including factors beyond the REIT's control.

The REIT currently has sixteen unencumbered investment properties with fair values of $32,569 as of March 31, 2021.

Amounts in Thousands of US Dollars (except for per unit amounts)

The table below sets out the upcoming principal payments due by year.

Year	Principal payments due during period	% of Total Principal
2021	$ 521	0.2%
2022	$ 658	0.3%
2023	$ 740	0.3%
2024	$ 786	0.4%
2025	$ 831	0.4%
2026	$ 878	0.4%
Thereafter	$ 208,463	98.0%
TOTAL	$ 212,877	

Debt Financing

The REIT seeks to maintain a debt profile consisting of borrowings from various sources of low-cost capital, which may include debt from regional and national banks, government-sponsored entities such as Fannie Mae and Freddie Mac, insurance companies, CMBS lenders and publicly issued bonds.

The REIT's overall borrowing philosophy is to obtain secured debt, principally on a fixed rate or effectively fixed rate basis, which will allow the REIT to: (i) achieve and maintain staggered maturities to lessen exposure to re-financing risk in any particular period; (ii) achieve and maintain fixed rates to lessen exposure to interest rate fluctuations; and (iii) extend loan terms and fixed rate periods as long as possible when borrowing conditions are favorable. Subject to market conditions and the growth of the REIT, management currently intends to target Indebtedness of approximately 45%-55% of Gross Book Value.

As of March 31, 2021, the REIT's Debt to Gross Book Value ratio was 46.9% (47.8% at December 31, 2020.) This decrease, as compared to December 31, 2020, is primarily attributable to total acquisitions of investment properties during the three months ended March 31, 2021, of which $6,050 was paid for with cash from the balance sheet, as well as the fair value adjustment of $6,193 on investment properties. Management expects that the ratio of Debt to Gross Book Value may increase, at least temporarily, following an acquisition by the REIT of one or more additional properties. Interest rates and loan maturities will be reviewed on a regular basis to ensure appropriate debt management strategies are implemented.

As of March 31, 2021 the REIT had a weighted average interest rate of 3.50% (100% fixed rate) and a weighted average term to maturity of 9.6 years. Mortgages as of March 31, 2021 mature at various dates beginning in 2027. Outside of the regular principal amortization of existing loans and borrowings; there are no balloon payments due in the next twelve months.

As of March 31, 2021, the REIT was in compliance with all debt covenants with various lenders.

Pursuant to the Declaration of Trust, the REIT shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the REIT (including convertible debentures) would be more than 65% of Gross Book Value.

Class B Units

In conjunction with the IPO, and as partial consideration for the Initial Communities, Flagship Operating, LLC issued Class B Units to certain retained interest holders. The holders of Class B Units are entitled to receive distributions from Flagship Operating, LLC proportionately to the distributions made by the REIT to holders of Units. The Class B Units are redeemable by the holder thereof for cash or Units (on a one-for-one basis subject to customary anti-dilution adjustments), as determined by Flagship Operating, LLC and as directed by the REIT in its sole discretion, subject to certain limitations and restrictions, and therefore are considered a puttable instrument. As a result, the Class B Units have been classified as financial liabilities and are measured at FVTPL (fair value through profit or loss). The fair value of the Class B Units is measured every period, with changes in measurement recorded in the statement of income and comprehensive income. Distributions on Class B Units are recorded as finance cost in the consolidated financial in the period in which they become payable.

As of March 31, 2020 and as of May 10, 2021, the total number of Class B Units outstanding was 5,432,940.

Units

The REIT is authorized to issue an unlimited number of Units. No Unit has any preference or priority over another. Each Unit represents a Unitholder's proportionate undivided beneficial ownership interest in the REIT and confers the right to one vote at any meeting of Unitholders and to participate pro rata in any distributions by the REIT, whether of net income, net capital gain or other amounts and, in the event of termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units are fully paid and non-assessable when issued and are transferable.

As of March 31, 2021 and as of May 10, 2021, the total number of Units outstanding was 7,226,185.

Unit-Based Compensation

The REIT adopted the Omnibus Equity Incentive Plan on December 1, 2020, although no awards were outstanding thereunder as of March 31, 2021. The Omnibus Equity Incentive Plan provides for awards of Restricted Units, Performance Units, Deferred Units and Options, each as defined therein. Unitholders have been asked to consider, and if thought advisable, pass an ordinary resolution at the REIT's unitholder meeting being held in 2021 to approve the Omnibus Equity Incentive Plan, including any previous grants of award and all unallocated awards issuable thereunder. If approval of the Omnibus Equity Incentive Plan resolution is not obtained at the meeting, all outstanding awards under the Omnibus Equity Incentive Plan would be cancelled and the REIT will not have the ability to grant further awards under the Omnibus Equity Incentive Plan until such time as the required Unitholder approval may be obtained in the future.

Amounts in Thousands of US Dollars (except for per unit amounts)

Distributions

The REIT has adopted a distribution policy pursuant to which the REIT and Flagship Operating, LLC make cash distributions to Unitholders and holders of Class B Units, respectively, on a monthly basis. Pursuant to this distribution policy, distributions are paid to Unitholders and holders of Class B Units of record at the close of business on the last business day of a month on or about the 15th day of the following month. Distributions must be approved by the board of trustees of the REIT and are subject to change depending on the general economic outlook and financial performance of the REIT. The REIT does not use net income in accordance with IFRS as the basis to establish the level of distributions as net income includes, among other items, non-cash fair value adjustments related to its property portfolio.

In accordance with National Policy 41-201 - Income Trusts and Other Indirect Offerings, the REIT provides the following additional disclosure relating to cash distributions:

		For the three months ended March 31, 2021
Cash Provided by operating activities	$	5,187
Less interest paid	$	1,917
	$	3,270
Less distributions paid to unitholders	$	920
Less distributions paid to Class B unitholders	$	693
Excess cash provided by operating activities over distributions paid	$	1,657
Net income and comprehensive income	$	6,631
Less interest paid	$	1,917
	$	4,714
Less distributions paid to unitholders	$	920
Less distributions paid to Class B unitholders	$	693
Excess cash provided by net income and comprehensive income over distributions paid	$	3,101

Total distributions declared to Unitholders and holders of Class B Units were $1,613 for the three months ended March 31, 2021.

Contractual Commitments

The following table provides information on the carrying balance and the non-discounted contractual maturities of financial liabilities of the REIT with fixed repayment terms:

	Carrying amount	Contractual cash flows	1 Year	1 to 2 Years	2 to 5 years	5+ years
Trade and Other Payables	$ 571	$ 571	$ 571	$ -	$ -	$ -
Other Liabilities	$ 5,596	$ 5,596	$ 5,596	$ -	$ -	$ -
Mortgages Payable	$ 219,478	$ 283,314	$ 8,553	$ 16,484	$ 24,794	$ 233,483
	$ 225,645	$ 289,481	$ 14,720	$ 16,484	$ 24,794	$ 233,483

Amounts in Thousands of US Dollars (except for per unit amounts)

Investment Property Portfolio

A property is determined to be an investment property when it is held either to earn rental income, capital appreciation or for both. Investment properties include land, buildings, land improvements, and building improvements. The REIT used a combination of internal valuation methodologies and external appraisals to value the investment properties. The estimated fair value of the investment properties was determined using the direct capitalization income method. The direct capitalization income method analyzes the relationship of one year's net operating income to total property value. The net operating income is divided by an overall capitalization rate. The net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over an investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

The investment property portfolio had 54 communities as of March 31, 2021. A reconciliation of the carrying amount for investment properties at the beginning and end of the period is set out below:

		As at March 31, 2021
Investment properties, beginning of period	$	428,391
Community acquisitions in period	$	6,181
Additions to investment properties	$	526
Disposal of investment properties	$	(224)
Change in fair value of investment properties	$	6,193
Total investment properties, end of period	$	441,067

Amounts in Thousands of US Dollars (except for per unit amounts)

Investment Property Valuation

A significant increase (decrease) in estimated rents or occupancy rates, per annum in isolation would result in a significantly higher (lower) fair value. A significant increase (decrease) in capitalization rate estimates in isolation would result in significantly lower (higher) fair value. The REIT used an internal valuation process to value the investment properties as of March 31, 2021. The REIT engages third party appraisers to prepare valuations such that the entire portfolio is appraised at least once every year.

The high, low, and overall weighted average of the capitalization rates applicable to the Portfolio are set out below along with the impact of a 25 basis-point increase or decrease in the weighted average capitalization rate on the carrying value of investment properties in a dollar and percentage terms:

	As at March 31, 2021
Capitalization Rates of Investment Properties	
High	7.00%
Low	5.35%
Weigthed Average	5.41%
% Change	
+0.025	4.44%
-0.025	-4.88%
$ Change	
+0.025	$19,606
-0.025	($21,520)

Cash Flows

The REIT held cash and cash equivalents of $6,454 as of March 31, 2021. The changes in cash flows for the three months ended March 31, 2021 are as follows:

		For the three months ended March 31, 2021
Cash provided by operating activities	$	5,187
Cash used in financing activities	$	(3,704)
Cash used in investing activities	$	(6,528)
Change in cash and cash equivalents during the period	$	(5,045)

Operating activities for the three months ended March 31, 2021

Operating activities for the period generated a net cash inflow of $5,187. This cash flow from operating activities was largely driven by cash Inflows from normal business operations (net income adjusted for non-cash items and financing activities.)

Investing activities for the three months ended March 31, 2021

Investing activities for the period generated a net cash outflow of $6,528. This was largely driven by the acquisitions of communities completed during the three months ended March 31, 2021.

Financing activities for the three months ended March 31, 2021

Financing activities for the period generated a net cash outflow of $3,704. This was largely driven by distributions paid to the unit holders and B unit holders of $1,613 as well as the interest paid of $1,917.

Transactions with Related Parties

In connection with the IPO, the REIT indirectly acquired the Initial Communities from entities owned and managed by certain executive officers of the REIT, as a result of which Chief Executive Officer and Chief Investment Officer acquired beneficial ownership, or control or direction over, directly or indirectly, 17,408 Units and 5,396,687 Class B Units.

On Closing, the REIT and Empower, an entity majority-owned by the REIT's President and Chief Executive Officer and Chief Investment Officer, entered into certain agreements that govern the relationships between such parties and their affiliates. Empower will acquire and develop MHCs that do not meet the REIT's investment criteria and conduct home sales, including sales of manufactured homes located on the Initial Communities, under the ''You Got it Homes'' brand.

In addition to this agreement, the consolidated financial statements include the following related party transactions:

- Compensation expenses include $391 incurred to key management personnel during the three months ended March 31, 2021, which includes short-term employee compensation and benefits.
- For the three months ended March 31, 2021, the REIT billed Empower Park a total of $260, of which $235 was payroll and benefits, $10 was management fees, and $15 in other miscellaneous items. As of March 31, 2021, the REIT had a receivable from Empower Park of $111.
- For the three months ended March 31, 2021, the REIT incurred expenses from affiliates totaling $222. The services provided by these affiliates include HVAC, paving/concrete repair, legal, IT and landscape services.

Amounts in Thousands of US Dollars (except for per unit amounts)

The table below breaks out spending for each related party:

Company Name	Ownership & Control	Description of Services	Spend or the For the three months ended March 31, 2021
Call Now HVAC	50% owned by the REIT's Chief Executive Officer ("CEO"), Chief Investment Officer ("CIO" and another holder of Class B Units. Managing member of the entity is a non-related party	Provides HVAC services for the communities including installing new air conditioner units as well as services existing units.	$62
KOI	50% owned by the REIT's CEO and 50% by an immediate family member. Employees include other immediate family members of the CEO.	Provides black top and concrete services for the communities as well as a number of other maintenance services.	$41
BG3	100% owned by the brother of the REIT's CEO.	Provides landscaping services for various investment properties.	$76
JDK	100% owned by the brother of the REIT's CEO.	IT and desktop support	$10
Empower Park	50% owned by the REIT's CEO, CIO and another holder of Class B Units.	Empower acquires and develop MHCs that do not meet the REIT's Iinvestment Ccriteria and conducts home sales, including sales of manufactured homes located on the Initial Communities. Per agreement with Empower Park, the REIT will pay floor plan interest on homes within the Initial Communities as well as reimburse Empower for any gross profit losses on homes sales within the Initial Communities	$33
		Total	**$222**

Management believes these related party transactions were done on commercial terms normally attainable from third parties.

Critical Accounting Estimates and Assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates may differ from actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial period are outlined below.

Investment properties

A property is determined to be an investment property when it is held either to earn rental income, capital appreciation or for both. Investment properties include land, buildings, land improvements, and building improvements. The REIT used a combination of internal valuation methodologies and external appraisals to value the investment properties. The estimated fair value of the investment properties was determined using the direct capitalization income method. The direct capitalization income method analyzes the relationship of one year's net operating income to total property value. The net operating income is divided by an overall capitalization rate. The net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over an investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

A significant increase (decrease) in estimated rents or occupancy rates, per annum in isolation would result in a significantly higher (lower) fair value. A significant increase (decrease) in capitalization rate estimates in isolation would result in significantly lower (higher) fair value.

Future accounting changes

The following standards are not yet effective for the period ended March 31, 2021 and have not been applied in preparing these consolidated financial statements:

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

The REIT is currently assessing the impact of this standard.

Disclosure Controls and Internal Controls Over Financial Reporting

There have been no changes in the internal controls over financial reporting of the REIT during the three months ended March 31, 2021, that have materially affected, or are reasonably likely to materially affect, the REIT's internal controls over financial reporting.

Management, including the Chief Executive Officer and Chief Financial Officer, does not expect that control systems of the REIT will prevent or detect all errors and all fraud or will be effective under all potential future conditions. A control system is subject to inherent limitations and, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control systems objectives will be met. Further, the design of a control system must reflect that there are resource constraints, and the benefits of controls must be considered relative to their costs. Inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Risk and Uncertainties

The REIT faces a variety of significant and diverse risks, many of which are inherent in the business conducted by the REIT. The Annual Information Form contains a detailed summary of risk factors pertaining to the REIT and its business. The disclosures in this MD&A are subject to the risk factors outlined in the Annual Information Form. Other risks and uncertainties that the REIT does not presently consider to be material, or of which the REIT is not presently aware, may become important factors that affect the REIT's future financial condition and results of operations. The occurrence of any of the risks discussed in the Annual Information Form could materially and adversely affect the business, prospects, financial condition, results of operations, cash flow or the ability of the REIT to make cash distributions to Unitholders or value of the Units of the REIT.