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Amsterdam, May 6, 2020 **(updated)**

Navigating through CoViD19

Dear Stakeholders,

I want to provide you with an update on European Residential REIT's (ERES) course of action and response to the Coronavirus Disease 2019 ("CoViD19"), particularly, the preventative measures we are taking to mitigate risk across our business. The safety of staff and tenants is of the utmost importance, and we are following all the government and the Dutch National Institute for Public Health and the Environment ("RIVM") guidelines in that regard.

We believe it is our responsibility to prioritize:

1. The safety and well-being of employees and other personnel supporting the ongoing business; and
2. The safety and well-being of our tenants and properties.

The management team both in Europe and in Canada have experience managing crisis situations in the past, and we are leveraging this knowledge and experience to initiate appropriate practices to help control the spread of CoViD19 to the best of our ability and minimize the impact on our people and our business.

At this point we have initiated the following:

Crisis Management Team

We have created Crisis Management Team ("CMT") in The Netherlands at the very first announcement of this health crisis. The CMT is also working closely with CAPREIT in Canada. The CMT convenes regularly (and as frequently as needed as the situation evolves) and is focused specifically on closely monitoring the CoViD19 situation and related developments and providing direction on appropriate next steps. The CMT consists of myself and the Amsterdam-based senior ERES management team and relies on the expertise and reporting provided from ERES and CAPREIT including IT, Operations, Finance, Procurement, and Insurance and Risk, with external expertise and advice procured on an as-needed basis.

Staff Communication

ERES is:

- Undertaking ongoing communication with the operations staff on a daily basis to continue to assess their needs to support tenants.
- Continuing to update staff with public education on CoViD19, including up-to-date recommendations for monitoring hygiene.
- Continuing to restrict in-person meetings and all non-essential travel, providing direction consistent with the Government and public health requirements.



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- Equipped and set-up from a technology perspective for remote, work-from-home framework which is fully operational, and have a structure for a skeleton staff to be in the office as an added layer of contingency. As a priority, ERES is aiming for all employees to operate remotely whilst maintaining operational functionality.

Tenant Communication

ERES is:

- Making sure that emergency tenant services requests are handle by proper call handling services and availability of vendors. Currently, all non-urgent request will be handled after May 20, 2020 (the current end-date of current government-announced protocols); this term may very well be extended. A non-exhaustive list of urgent requests is formulated (problems with heating/hot water; severe leaks; electrical faults; serious blockages that do not tolerate delay; fire risk situations; if tenants cannot close their home/commercial unit; severe mold formation; failure of kitchen appliances; failure of elevators) and in all cases, if a repair is involved, additional safety measures will apply at the time the work is carried out.
- A tenant memo has been sent to inform all our tenants of the new procedures. Additionally, we have posted an automatic reply to inbound requests highlighting the procedures.
- Making sure buildings are clean and seeking to improve sanitary conditions were possible; in general, we doubled our cleaning.
- The one common area within our portfolio is closed.

Continuity of business

Eres is:

- Calling all tenants that gave their termination notice to retain them.
- Working with brokers to continue leasing.
- Collecting our rents by answering tenants calls and following up on previously sent letters. We have prepared a protocol for deferral requests from tenants. There are currently no evictions (unless there are obvious reasons such as criminal activities or extreme nuisance).
- Continuing to renovate our vacant units.
- Reviewing capex work to see if it can be carried out in a safe matter that implies social distancing.

Impact on Business

We assume that the virus will have further effects on our business and we will continue to monitor the situation and make appropriate decisions based on what is best for the ERES community, specifically staff, tenants and shareholders.

CAPREIT has over 22 years in multi-family real estate experience and has taken the lessons learned from previous influenza outbreaks like SARS and H1N1 and are applying this experience across their organization, including ERES.

I have great confidence in the ERES and CAPREIT teams to deploy the necessary steps and actions to put the health and safety of our staff and tenants as priority during this very challenging time.



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Today, ERES's financial position and liquidity is strong and we have the resources and flexibility to manage our way through these challenging times. Additionally, the investments CAPREIT has made in its technology platforms will be a benefit to ERES and our team members as we responsibly adapt to this fluid situation.

We are strong believers that the multi-family real estate sector is a highly defensive and counter-cyclical asset class that can bear broader market swings. We continue to manage and monitor this evolving situation and appreciate your understanding. I would like to thank you for your continued support and wish all our stakeholders good health during this challenging period.

Best Regards,

Phillip Burns
CEO, European Residential REIT