**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2014

The following management's discussion and analysis ("**MD&A**") of the financial position and results of operations of CHC Student Housing Corp. ("**CHC**" or the "**Company**") (formerly CHC Realty Capital Corp.) constitutes management's review of the factors that affected the Company's operating performance for the three and twelve month periods ended December 31, 2014 and its financial position as at December 31, 2014. This MD&A is dated and has been prepared with information available as of February 27, 2014.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014 and accompanying notes (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The MD&A was prepared in accordance with Form 51-102F1 was approved by CHC's Board of Directors prior to its release.

Forward-Looking Information

Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to the Company's future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving the Company. In particular, statements regarding the Company's future operating results and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Examples of such statements include the statements with respect to the Company's strategy, objectives and intentions disclosed in the section entitled "Strategy & Outlook" and "Portfolio Overview", including: the Company's intention to complete future acquisitions and the expected benefits from any such acquisitions; and the Company's intention to implement its student-oriented operating strategy and the expected results this might provide for revenue and net operating income growth through improved occupancy, introduction of value-added leasing and operational revenue streams and increased management efficiencies.

Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what the Company currently expects. These factors include the ability of the Company to complete future acquisitions, obtain necessary equity and debt financing and grow its business; the future operations and performance of the Company's properties including the anticipated extent of the accretion of any acquisitions and generating improved occupancy levels and rental income: the ability of the Company to reinvest to make improvements and maintenance to its properties; overall indebtedness levels, which could be impacted by the level of acquisition activity CHC is able to achieve and future financing opportunities; general economic and market conditions and factors; local real estate conditions; competition; interest rates; changes in government regulation; and reliance on key personnel. For more information on these risks and uncertainties readers should refer to the risks disclosed in the section entitled "Risks", as well as the risks disclosed in CHC's materials filed with Canadian securities regulatory authorities from time to time, including the Filing Statement of the Company dated March 21, 2014, which are available under the Company's profile on SEDAR at www.sedar.com.

Forward-looking information contained in this MD&A is based on the Company's current estimates, expectations and projections, which the Company believes are reasonable as of the date hereof. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, it is under no obligation and does not undertake to update this information at any particular time except as may be required by applicable securities laws.

Company Overview

CHC is Canada's only publicly-listed pure play owner and operator of student housing properties. CHC's business model is focused on acquiring quality properties in close proximity to universities and colleges in primary and well understood secondary markets, with a focus on contemporary, purpose-built student housing properties, with the goal of becoming the leading owner of high quality student housing assets in the country.

Corporate History

The Company was incorporated under the *Business Corporations Act* (Ontario) on April 12, 2013. On November 28, 2013, the Company completed an initial public offering as a Capital Pool Company ("**CPC**") pursuant to Policy 2.4 (the "**CPC Policy**") of the TSX Venture Exchange Inc. (the "**TSXV**") and a final prospectus dated November 19, 2013. The common shares of the Company were listed and posted for trading on the TSXV commencing on December 4, 2013. The shares of the Company trade under the symbol CHC. As a CPC, prior to the completion of its "**Qualifying Transaction**" (as defined under the CPC Policy), the business of the Company was restricted to the identification and evaluation of potential opportunities with a view to completing a Qualifying Transaction.

The Company completed its Qualifying Transaction on April 3, 2014, through the acquisition of the "Liberty Terrace" student housing property located at 335 Barrie Street, Kingston, Ontario (the "**QT Property**") from an arm's length vendor, for a purchase price of $2.5 million, subject to adjustments, pursuant to a purchase and sale agreement between the Company and the vendor dated January 9, 2014. In connection with the closing of the transaction, the Company received final acceptance of the acquisition as the Company's Qualifying Transaction from the TSXV, and commenced trading on the TSXV as a Tier 2 Real Estate Issuer.

On October 30, 2014, CHC filed an amendment to its articles of incorporation as approved by its shareholders at a shareholders meeting held on October 9, 2014. The amendment added retraction rights to the share conditions attaching to the common shares of the Company so that it would be able to qualify as a "mutual fund corporation" as defined in the *Income Tax Act* (Canada) and the regulations thereunder. A copy of the articles of amendment has been filed under the Company's profile on SEDAR at www.sedar.com. For more information on the articles of amendment, please refer to the Company's management information circular dated September 10, 2014 prepared in connection with the above-noted shareholders meeting, which is also available under the Company's profile on SEDAR.

On February 19, 2015, CHC filed an amendment to its articles of incorporation as approved pursuant to which the Company's name was changed to "CHC Student Housing Corp." and the Company's common shares were consolidated on the basis of one post-consolidation share for every 85 pre-consolidation shares. See "*Subsequent Events*").

Changes to Board of Directors

On October 9, 2014, Gordon Pridham, Louis Forbes, Philip Gillin and Ronald Schwarz were elected as directors of CHC at an annual and special meeting of its shareholders, together with Craig Smith, a previous director of the Company. At the meeting, certain previous directors of CHC, being Mark Hansen, who is also the President and Chief Executive Officer of CHC, Vaughn MacLellan, who is also the Corporate Secretary of CHC, and Thomas Murphy, did not stand for re-election as directors.

Strategy & Outlook

The following section contains forward-looking information and users are cautioned that actual results may vary.

Our Strategy

Management believes that there are compelling market dynamics in Canada at present for investment in quality student housing properties, which include: (i) lack of high quality, purpose-built student housing properties; (ii) consistently high occupancy rates for existing student housing properties; (iii) ownership of existing student housing properties is highly fragmented and largely lacking focus; (iv) access to capital necessary to provide quality accommodations; (v) long term enrolment growth at universities and colleges driving demand for student accommodation; (vi) students and parents increasingly focused on safety, privacy and connectivity in addition to location and price; and (vii) new supply of on-campus housing not keeping up with demand, as educational budgetary constraints limit new construction of on-campus facilities.

CHC is actively pursuing the expansion of its student housing business, by strategically acquiring additional student housing properties in Canada, with the goal of becoming the leading owner of high quality student housing assets in the country. CHC's strategy is to target quality properties in close proximity to universities and colleges in primary and well understood secondary markets, with a focus on contemporary, purpose-built student housing properties. The Company intends to internalize the asset management function and operate with a conservative capital structure featuring staggered and longer term maturity mortgages. The Company believes this strategy will offer an excellent opportunity to build a substantial portfolio of student housing properties, with the objective of providing stable cash flows, and growth over time.

CHC's business objectives include acquiring additional student housing properties to achieve a critical mass of assets. There can be no assurances that the Company will be successful with such objectives and no representation is made to that effect. The timeframe for achieving the business objectives of the Company will be dependent upon opportunities available to the Company to acquire and finance the acquisition of additional properties.

Outlook

In keeping with its strategy, CHC is constantly investigating potential acquisitions of additional student housing properties. At present, the Company has entered into firm agreements to purchase additional properties in Oshawa, Ontario and Sudbury, Ontario as described below. In addition, CHC is examining the possible acquisition of interests in CHC Student Housing Limited Partnership, a private limited partnership formed and managed by CHC Realty Investments Inc. ("**CHC Investments**"), a company owned by Mark Hansen, President, CEO and a former director of the Company and Craig Smith, a director of the Company. CHC Student Housing Limited Partnership co-owns with a Canadian pension fund four contemporary, purpose-built student housing properties in Ontario having approximately 2,000 beds. There can be no assurances that the Company will acquire such properties or interests and no representation is made to that effect.

Portfolio Overview

Since the completion of its Qualifying Transaction, CHC has been pursuing the expansion of its student housing business through additional acquisitions. At the end of 2014, CHC owned 4 properties with 813 beds and 13,750 square feet of ancillary ground floor retail space.

Completed Acquisitions

Address	City, Province	Purchase Price	Beds	Retail Sq. Ft.	Date Acquired
335 Barrie Street	Kingston, ON	$2,500,000	18	1,108	April 2014
3170 - 3190 Donnelly St	Windsor, ON	$5,900,000	117	-	September 2014
1620-1720 rue du Père-Marquette	Trois-Rivières, QC	$5,500,000	310	-	October 2014
675 Richmond Street	London, ON	$55,000,000	368	12,642	November 2014
Total		**$68,900,000**	**813**	**13,750**	

Kingston, Ontario Acquisition

On April 3, 2014, CHC completed the acquisition of the QT Property located in Kingston, Ontario. This acquisition represented the Company's Qualifying Transaction. The QT Property has 18 beds in 12 apartments and 1,108 sq. ft. of ground floor commercial space in one building, and is located approximately 1.2km from Queens University.

The purchase price for the QT Property was $2.5 million, subject to standard adjustments, and was satisfied through the assumption of a first mortgage on the property in the amount of $1,260,253 and the payment to the vendor of the balance of the purchase price in cash. The interest rate on the mortgage was 4.63%. On July 4, 2014, the Company refinanced the mortgage on the QT Property for a 5-year term with a fixed 4.1% interest rate. The balance of the new mortgage was $1.55 million. During the year the Company entered into a new 5 year lease with the existing commercial tenant at an increased rate from the previous lease. The QT Property is presently100% leased.

The acquisition of the QT Property constitutes a “significant acquisition” for the Company. Accordingly, in accordance with the requirements of National Instrument 51-102, the Company filed a business acquisition report with respect to the acquisition of the QT Property on June 16, 2014, which is available for viewing under the Company’s profile on SEDAR at www.sedar.com.

Windsor, Ontario Acquisition

On September 11, 2014, CHC completed the acquisition of a property located at 3170 and 3190 Donnelly Street in Windsor Ontario (the “**Windsor Property**”). The Windsor Property has 117 beds in 87 student apartments in two buildings, and is located approximately 0.75km from the University of Windsor. This property is a traditional apartment building tenanted primarily by students at the University of Windsor. Current occupancy of the property is 92%. CHC views this property as a repositioning opportunity. The Company will begin to market the units strictly as student accommodation and on tenant turnover begin to implement its student-oriented operating strategy. Among other things, management will begin leasing by the bed, furnishing units and improving amenity space. CHC’s strategy also includes adding a social and community aspect to the property that provides a collegiate atmosphere. The Windsor Property also has approximately 0.50 acre of excess land. Management intends to create outdoor amenity space with some of this land. The land can also serve as excess land for future development. There are no immediate plans to add additional buildings.

The purchase price of the Windsor Property was $5.9 million, subject to standard adjustments and was satisfied through a new fixed rate term mortgage of $4.0 million and the payment to the vendor of the balance of the purchase price in cash. The mortgage is fixed at 3.47% for a 5-year term.

The acquisition of the Windsor Property constitutes a “significant acquisition” for the Company. Accordingly, in accordance with the requirements of National Instrument 51-102, the Company filed a business acquisition report with respect to the acquisition of the Windsor Property on January 28, 2015, which is available for viewing under the Company’s profile on SEDAR at www.sedar.com.

The foregoing section contains forward-looking information and users are cautioned that actual results may vary.

Trois-Rivières, Québec Acquisition

On October 9, 2014, the Company completed the acquisition of a property located at 1620 – 1720 rue de Père-Marquette in Trois-Rivières, Québec (the “**Trois-Rivières Property**”). The Trois-Rivières Property has 310 beds in 78 student apartments in six buildings, and is located on the campus of the University of Quèbec at Trois-Rivières under a long term land lease with the university. Current occupancy of the property is 69%. CHC views this property as a repositioning opportunity. Subject to its ongoing review, CHC believes that this property provides an opportunity for revenue and net operating income growth through improved occupancy, introduction of value-added leasing and operational revenue streams and increased management efficiencies. Since completing the acquisition CHC management has met with the university and has forged a relationship to become its preferred provider of student housing. The Trois-Rivières Property is the only property in the Company’s portfolio that leases beds at terms that are less than one year. During the months of June through August the property leases beds on short-term leases. In addition there is a long standing agreement with an international French language school to house its students during the summer months.

The purchase price for the Trois-Rivières Property was $5.5 million, subject to standard adjustments and was satisfied through a vendor mortgage of $2.75 million and the payment to the vendor of the balance of the purchase price in cash. The mortgage is interest only monthly payments fixed at 4% per annum for a 2-year term.

The foregoing section contains forward-looking information and users are cautioned that actual results may vary.

London, Ontario Acquisition

On November 19, 2014, the Company completed the acquisition of a property located at 675 Richmond Street in London, Ontario (the "**London Property**"). The London Property has 368 beds in 187 apartments as well as 12,642 square feet of commercial space in a 17 storey apartment building and is located approximately 2.0 km from the Western University. This property is a traditional apartment building tenanted primarily by students at the Western University. Current occupancy of the residential portion of the property is 91% and the commercial space is 100% leased. The Company will begin to market the units strictly as student accommodation and on tenant turnover begin to implement its student-oriented operating strategy. CHC's strategy at this property includes both increasing revenues and adding a social and community aspect to the property to provide a collegiate atmosphere. Revenue increases will primarily come from plans to increase occupancy from 90% at the time of acquisition as well as plans to increase the number of beds at the property by 12%. The additional beds will be added on roll over of the units. The previous owner began renovating the London Property and completed all the common space and 85% of the units to provide a luxury student housing experience. CHC management intends to complete these renovations on turnover; at the present time these units are leased and as a result there are no immediate capital plans to complete the renovation of these suites. The Company is adding amenity space in the under-utilized ground floor.

The purchase price for the London Property was $55.0 million, subject to standard adjustments, and was satisfied through mortgage financing of $46.75 million, utilization of $1.5 million of a $2.5 million debt facility and the payment to the vendor of the balance of the purchase price in cash (using proceeds from its private placement completed in November 2014 - see "*Equity Financing – November Closing*"). The debt financing included: (i) a first mortgage on the property in the amount of $33.0 million bearing interest at the rate of 3 Month Banker's Acceptance Rate plus 2.15% (currently 3.37%) per annum, maturing in three years from closing and payable with respect to interest only; (ii) an additional first mortgage on the property in the amount of $5.5 million bearing interest at the rate of 6.0% per annum, maturing in one year from closing and payable with respect to interest only; (iii) a second mortgage on the property in the amount of $8.25 million bearing interest at the rate of 12.0% per annum for the first six months and increasing to 14.0% thereafter, maturing seven months from closing and payable with respect to interest only; and (iv) a debt facility in an amount up to $2.5 million bearing interest at the rate of 14.0% per annum for the first six months and increasing to 18.0% thereafter, maturing seven months from closing and payable with respect to interest only. In December 2014, the Company repaid in full the balance of the $2.5 million debt facility drawn upon for closing.

The acquisition of the London Property constitutes a "significant acquisition" for the Company. Accordingly, in accordance with the requirements of National Instrument 51-102, the Company will file a business acquisition report with respect to the acquisition of the London Property, which will be available for viewing under the Company's profile on SEDAR at www.sedar.com.

The foregoing section contains forward-looking information and users are cautioned that actual results may vary.

Fair Value

The fair value of the property portfolio represents 94.5% of the total assets of CHC as at December 31, 2014.

	Year ended December 31, 2014
Balance at beginning of the period	$ -
Acquisitions	$68,553,762
Investment in development properties	$ 100,000
Capital expenditure	$ 40,768
Fair value adjustments on investment properties	$ -
Total	$68,694,530

As at December 31, 2014, the estimated fair value of investment properties is substantially equal to their purchase price (excluding acquisition transaction costs), as all the properties were acquired in arm's length transactions and management's assessment of stabilized NOI (as defined below) and market capitalization rates have not changed since the properties were acquired.

Pending Transactions

Address	City, Province	Purchase Price	Beds	Retail Sq. Ft.
50 Lisgar Street	Sudbury, ON	$5,500,000	70	4,500
2 Taylorwood Road	Oshawa, ON	$23,500,000	260	-
Total		**$29,000,000**	**330**	**4,500**

Sudbury, Ontario Acquisition

On May 1, 2014 the Company entered into an assignment and assumption agreement (the "**Assignment Agreement**") with CHC Investments, to acquire a student housing property located in Sudbury, Ontario (the "**Sudbury Property**") from a vendor at arm's length to both CHC and CHC Investments.

The Sudbury Property is a newly repurposed student housing property situated at 50 Lisgar Street in downtown Sudbury, across the street from the city's main bus terminal, less than 300 meters away from Laurentian University's School of Architecture and approximately 4.7 km from the University's main Sudbury Campus. The Sudbury Property is a six storey former office building originally constructed around 1970 that was converted to a student residence with main floor commercial space in 2013. The building contains a total area of approximately 28,965 sq. ft. and is comprised of 70 beds in 50 student apartments on the upper floors and approximately 4,500 sq. ft. of ground floor commercial space.

The purchase price for the Sudbury Property is $5.5 million, subject to adjustments, which CHC intends to satisfy through mortgage financing on the Sudbury Property and the balance of the purchase price in cash. Under the purchase agreement, the vendor has agreed to pay to the Company an income guarantee on monthly gross rental income from the residential component of the Sudbury Property based on 95% occupancy for a period of six months after the closing date. In addition, the vendor has agreed to pay to the Company certain amounts under a head lease for any commercial space, which is vacant on closing.

The acquisition of the Sudbury Property depends upon receipt of an acceptable record of site condition for the property. It is expected that the record of site condition will be issued in the second quarter of 2015.

CHC Investments was not paid any fees nor did it receive any consideration for the assignment of the purchase agreement to the Company. CHC Investments had paid a $200,000 deposit to the vendor upon execution of the purchase agreement, which became a non-refundable deposit as a result of the satisfaction of the Company's due diligence condition in respect of the acquisition, and that deposit was repaid by the Company to CHC Investments, without interest, fees or other consideration. CHC also paid the vendor an additional $300,000 non-refundable deposit as a result of the satisfaction of the purchaser's due diligence condition in respect of the acquisition.

Oshawa, Ontario Acquisition

On January 15, 2015, the Company entered into an agreement of purchase and sale to purchase a student housing property located in Oshawa, Ontario (the "**Oshawa Property**") for $23.5 million, subject to standard adjustments (see "*Subsequent Events*"). CHC has paid a non-refundable deposit of $750,000 as a result of the satisfaction of the purchaser's due diligence condition in respect of the acquisition. Closing of the transaction is expected to occur in the second quarter of 2015.

The Oshawa Property is a newly constructed purpose-built 260-bed student-housing complex that began operations on September 1, 2014. The property is a row townhouse style property with 3 and 5 bedroom units. The Oshawa Property is situated at 2 Taylorwood Road in Oshawa, across the street from the main entrances of the University of Ontario Institute of Technology and Durham College.

Results of Operations

The financial performance and results of operations contained in this MD&A cover the three and twelve months ended December 31, 2014. During the prior period from April 12, 2013 (date of incorporation) to December 31, 2013, the Company did not have any operations other than the conduct of its financing activities, including its initial public offering, listing on the TSXV and investigation of a Qualifying Transaction. The Company completed its Qualifying Transaction in April 2014.

Basis of Presentation
The Financial Statements have been prepared in accordance with IFRS, also referred to in this MD&A as "GAAP".

Non-GAAP Performance Measures

CHC uses non-GAAP key performance indicators including Net Operating Income ("NOI"), Funds From Operations ("FFO"), FFO per Unit, Adjusted Funds From Operations ("AFFO") and AFFO per Unit. CHC believes these non-GAAP measures provide useful supplemental information to both management and investors in measuring the financial performance of CHC.

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures and ratios presented by other publicly traded entities, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Net Operating Income

CHC defines NOI as property revenues less property operating expense. Management believes that NOI is a useful key indicator of performance on an unlevered basis as it represents a measure over which management of property operations has control. NOI is also a key input in determining the value of the portfolio.

Funds From Operations

FFO is a non-GAAP financial measure of operating performance widely used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties. FFO should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with IFRS. CHC calculates its FFO in accordance with the Real Property Association of Canada White Paper on FFO for IFRS issued in April 2014. The purpose of the White Paper was to provide reporting issuers and investors with greater guidance on the definition of FFO and to help promote more consistent disclosure amongst reporting issuers. The use of FFO, combined with the required IFRS presentations, has been included for the purpose of improving the understanding of the operating results of CHC.

Management believes that FFO provides an operating performance measure that, when compared period-over-period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income determined in accordance with IFRS. FFO adds back to net income items that do not arise from operating activities, such as fair value adjustments.

FFO, however, still includes non-cash revenues related to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream.

Adjusted Funds From Operations

AFFO is a supplemental measure widely used in the real estate industry to assess an entity's ability to pay distributions. Management believes that AFFO is an effective measure of the cash generated from operations.

CHC calculates AFFO by adjusting FFO for non-cash income and expenses as well as providing for operating capital requirements. There is currently no standard industry-defined measure of AFFO. As such, CHC's method of calculating AFFO may differ from that of other real estate entities and, accordingly, may not be comparable to such amounts reported by other issuers.

Summary of Selected Financial and Operational Information

The selected financial information set out below is based on and derived from the Financial Statements for the year ended December 31, 2014, as well as the comparative audited period from April 12, 2013 (date of incorporation) to December 31, 2013 (which were also prepared in accordance with IFRS).

Statement of Comprehensive Loss Data	**Three Months Ended December 31, 2014**	**Twelve Months Ended December 31, 2014**	**Year Ended December 31, 2013**
Property revenues	$830,208	$993,831	Nil
Property operating expenses	($379,275)	($460,904)	
NOI	$450,933	$532,927	
General & administrative expense	($402,046)	($769,663)	
Acquisition transaction costs	($1,385,970)	($1,710,354)	
Interest income	$7,015	$20,097	
Interest expense	($703,685)	($743,416)	
Net loss	($2,033,753)	($2,670,410)	$(324,162)
Net loss per share – basic and diluted	($1.09)	($2.66)	$(3.14)
FFO (1)	($647,783)	($960,056)	
FFO per share	($0.35)	($0.96)	
AFFO(1)	($382,878)	($687,950)	
AFFO per share	($0.20)	($0.69)	
Distributions of cash dividends	Nil	Nil	
Weight average shares outstanding(2)	1,864,636	1,009,456	103,387

1 – FFO & AFFO are non-GAAP performance measures. Please refer to definition on pages 7 & 8 as well as the reconciliation from net loss on page below.
2 – After giving retroactive effect to the 85 to 1 common share consolidation that occurred on February 19, 2015. See *"Subsequent Events"*.

Statement of Financial Position Data	**As at December 31, 2014**	**As at December 31, 2013**
Cash	$2,232,112	$4,747,127
Investment properties	$68,694,530	Nil
Total assets	$72,715,005	$4,765,275
Total current financial liabilities	$14,724,512	$13,721
Total non-current financial liabilities	$40,919,892	Nil
Total liabilities	$55,644,404	$13,721

FFO & AFFO Reconciliation

The following table reconciles FFO and AFFO to GAAP net loss and comprehensive loss:

Reconciliation from net loss to FFO & AFFO	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2014
Net loss	($2,033,753)	($2,670,410)
Add:		
Acquisition transaction costs	$1,385,970	$1,710,354
Funds From Operations	($647,783)	($960,056)
Add (subtract):		
Amortization of financing transaction costs	$312,699	$319,900
Straight line rent	($7,026)	($7,026)
Capital expenditures	($40,768)	($40,768)
Adjusted Funds From Operations	($382,878)	($687,950)

FFO for the three and twelve months ended December 31, 2014 amounted to ($647,783) or ($0.35) per share and ($960,056) or ($0.96) per share respectively. AFFO for the three and twelve months ended December 31, 2014 was loss of ($382,878) or ($0.20) per share and ($687,950) or ($0.69) per share respectively. Per share amounts give retroactive effect to the 85 to 1 common share consolidation completed on February 19, 2015, see "*Subsequent Events*".

The following table reconciles GAAP cash used in operating activities to AFFO

Reconciliation from cash used in operating activity to AFFO	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2014
Cash used in operating activities	($630,069)	($1,803,537)
Add (subtract):		
Acquisition transaction costs	$1,385,970	$1,710,354
Changes in non-cash working capital	($918,785)	($374,773)
Non-cash compensation	($174,871)	($174,871)
Depreciation	($4,355)	($4,355)
Capital expenditures	($40,768)	($40,768)
Adjusted Funds From Operations	($382,878)	($687,950)

Overall Performance

Statement of Comprehensive Loss Data	**Three Months Ended December 31, 2014**	**Twelve Months Ended December 31, 2014**
Property revenues	$830,208	$993,831
Property operating expenses	($379,275)	($460,904)
NOI	$450,933	$532,927
General & administrative expense	($402,046)	($769,663)
Acquisition transaction costs	($1,385,970)	($1,710,354)
Interest income	$7,015	$20,097
Interest expense	($703,685)	($743,416)
Net loss and comprehensive loss	($2,033,753)	($2,670,410)

Property Revenues

Property revenues includes all amounts earned from both residential tenants as well as commercial tenants. Residential tenant revenues include residential rents earned pursuant to lease agreements as well as ancillary revenues such as parking, laundry and other miscellaneous revenue. The commercial tenant revenues include rent earned pursuant to lease agreements and may include property taxes, operating costs and other recoveries. The vast majority of CHC's revenues (94%) are earned from residential tenants.

Property revenues for the three and twelve months ended December 31, 2014 was $830,208 and $993,831 respectively. The majority of the annual revenues were earned in the fourth quarter of 2014 as a result of the timing of the various acquisitions during the year. The most significant acquisition was completed in the fourth quarter of the year with the acquisition of the London Property.

Property Operating Expenses

Property expenses comprise primarily of property taxes, utilities, wages of onsite property staff, internet & telecom, repairs & maintenance and third party property management fees. Only costs relating to the commercial space is recoverable from the tenants. Monitoring and controlling property level costs is an important component of CHC's business. For the three and twelve months ended December 31, 2014 property expenses were $379,275 and $460,904 respectively.

Net Operating Income

NOI for the year was concentrated in the three months ended December 31, 2014 as the bulk of the Company's property acquisitions were completed in the fourth quarter of the year.

General & Administrative Expenses

General & administrative expenses relate to head office costs and public company costs. Head office costs include compensation including non-cash compensation of $174,870, rent and corporate marketing including developing a website. Public company costs include audit, legal and filing costs related to the Company's listing on the TSXV . General and administrative costs for the year ended December 31, 2014 included $141,006 of non-recurring items such as the corporate marketing and development of the website.

Interest Income

Interest income for the three and twelve months ended December 31, 2014 of $7,015 and $20,097 respectively was attributable to interest earned from investing the Company's available cash in short-term marketable securities.

Interest Expense

The Company has four fixed rate mortgages and two floating rate mortgages as of December 31, 2014. The interest expense for the three and twelve months ended December 31, 2014 was $703,685 and $743,416 respectively.

Amortization of financing transaction costs relate to each of the mortgages entered into during the year. The Company amortizes deferred financing costs over the term of the mortgage. The financing transaction costs amortized in the three months ended December 31, 2014 were primarily a result of two short term mortgages that were entered into with respect to the acquisition of the London Property. In addition a debt facility entered into for the acquisition of the London Property was paid off prior to year end and all related costs were expensed in the current period.

	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2014
Interest expense	$390,986	$423,516
Amortization of financing transaction costs	$312,699	$319,900
	$703,685	$743,416

Leasing Activity

The future financial performance of CHC will be impacted by occupancy rates at each of its properties and trends in rental rates. The Company will also be impacted by university enrolment rates and participation rates by the university age population. The Company leases beds in most instances for 12 months starting in May or September. If the Company does not achieve budget occupancy rates on these dates revenues will be affected until the following leasing cycle. Current weighted portfolio occupancy is 80%. The Company has begun on closing of each building to actively lease each property as a student specific building for the upcoming school year.

Liquidity & Financial Position

The foregoing section contains forward-looking information and users are cautioned that actual results may vary.

Liquidity

CHC intends to fund capital for acquisitions through (i) cash on hand, (ii) issuance of common shares or other securities and (iii) debt financing including floating and fixed rate debt. Cash flow from operating properties represents the sources of cash to fund capital expenditures, debt service and general & administrative expenses. At December 31, 2014, the Company had cash on hand of $2.2 million.

Discussion of cash flows during the period

	Twelve Months Ended December 31, 2014
Cash used in operating activities	($1,803,537)
Cash used in investing activities	($34,046,659)
Cash generated from financing activities	$33,335,181
Cash used in the period	($2,515,015)

Cash used during the period was primarily the result of using cash on hand to fund the difference between acquisitions and the cash generated from operating and financing activities.

Cash flows used in operating and investing activities amounted to $1.8million and $34.0 million respectively. Cash flows used in investing activities related primarily to the purchase of from the QT Property $2.5 million, the Windsor Property $5.9 million, the Trois-Rivières Property $5.5 million, and the London Property $55.0 million.

Cash flows generated from financing activities were primarily a result of both short and long-term debt financing as well as proceeds from two separate equity issuances during the year.

Debt

The Company's long-term debt principal repayments as at December 31, 2014 are as follows:

As at December 31, 2014	**Principal Amount**	**% of Total Principal**
2015	$13,889,871	25.2%
2016	$2,895,448	5.3%
2017	$33,151,219	60.2%
2018	$156,324	0.3%
2019	$4,928,317	9.0%
Subsequent to 2019	$ -	0.0%
	$55,021,179	100%
Unamortized financing transaction costs	($370,683)	
Total	$54,650,496	
Less: Current portion	($13,730,604)	
Total	$40,919,892	

Mortgages have fixed rates that range from 3.47% to 12.0%. The variable rate mortgages are at 215 basis points and 475 basis points above the 90 day Bankers Acceptance rate. Maturity dates range from July 2015 to October 2019. The weighted average interest rate at December 31, 2014 was 4.97% and the weighted average term to maturity was 2.5 years. Excluding the short term debt related to the London Property the weighted average interest rate drops to 3.43% and the weighted average term to maturity increases to 3.1 years. At December 31, 2014 fixed rate and variable rate debt were $16.5 million (30% of total debt) and $38.5 million (70% of total debt) respectively. The debt maturing in 2015 includes an $8.25 million second mortgage on the London Property as well as $5.5 million of the first mortgage.

The Company does not have any unsecured debt and is not rated by any debt rating agencies.

The Company's has entered into two agreements of purchase and sale and have waived conditions on these assets such that it is expected to close on a total of $29.0 million of properties in 2015. Of this total the company has paid deposits of $1.3 million.

The contractual maturities of the Company's financial liabilities are summarized below:

	Payments due by year						
As at December 31, 2014	Total	2015	2016	2017	2018	2019	Thereafter
Mortgages payable[1]	$59,974,958	$16,083,244	$4,259,252	$34,245,,252	$337,752	$5,049,459	Nil
Accounts payable and accrued liabilities	$993,908	$993,908	Nil	Nil	Nil	Nil	Nil
	$60,968,866	$17,077,152	$4,259,252	$34,245,252	$337,752	$5,049,459	Nil

1 – includes both principle and interest.

Equity

Disclosure of Outstanding Share Data

	Total
Total outstanding at the beginning of the year	55,000,000
Issued	143,495,610
Total outstanding at the end of the year	198,495,610

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. As of December 31, 2014, the Company had 198,495,610 common shares issued and outstanding. The Company issued 143,495,610 common shares during the year.

As of the date of this MD&A, the Company had 2,335,242 common shares issued and outstanding, after giving effect to a consolidation of the Company's common shares on the basis of one post-consolidation share for every 85 pre-consolidation shares which was effected on February 19, 2015 (and subject to rounding down for fractional shares at the individual shareholder level) . See "*Subsequent Events*". All share information in this MD&A is presented on a historical, pre-consolidation basis.

Equity Financing - *August Closing*

On August 18, 2014 and August 28, 2014, the Company completed a private placement of 68,390,693 subscription receipts at a price of $0.11 per subscription receipt for total gross proceeds of $7.5 million. The net proceeds from the placement were to be used to complete the acquisitions of theWindsor Property and the Trois-Rivières Property announced by CHC at the same time as the placement. The Company subsequently satisfied the escrow release conditions under the placement on September 8, 2014, as a result of which the escrowed proceeds from the placement were released to CHC and the subscription receipts issued under the placement were converted for no additional consideration into common shares of CHC on the basis of one common share for each subscription receipt.

Equity Financing - *November Closing*

On November 19, 2014 the Company completed a brokered private placement of 75,104,917 units at a price of $0.11 per unit for gross proceeds of $8.3 million. Each unit consisted of one common share and one common share purchase warrant of the Company. Each warrant is exercisable to acquire one common share of the Company at an exercise price of $0.13 per share until November 19, 2017. The net proceeds from the placement were used for the equity portion of the London Property acquisition and for working capital.

Other Issued Securities

The Company has also issued other securities as outlined in the table below.

	Total
Options:	
2013 issued - vested	4,125,000
2014 issued - vested	1,073,485
2014 issued - unvested	2,140,541
2015 issued - vested	1,206,709
2015 issued - unvested	2,406,193
Broker warrants	1,000,000
Total Other Issued Securities	11,951,928

The stock options are exercisable to acquire one common share of the Company at exercise prices ranging from $0.10 to $0.12 per share and have expiry dates ranging from November 2018 to January 1, 2020.

The broker warrants were issued in connection with the initial public offering of the Company in December 2013. Each broker warrant is exercisable to acquire one common share of the Company at an exercise price of $0.10 per share until December 4, 2015.

Related Party Transactions

The Company obtains certain asset management services from CHC Investments an entity owned by Mark Hansen, President and CEO of CHC and Craig Smith a director of CHC, for which no fees have been charged.

Significant Accounting Policies

Critical accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments and estimates and assumptions that affect the reported amounts and disclosures made in the consolidated financial statements and accompanying notes. Estimates are based upon historical experience and on various other assumptions that are reasonable under the circumstances. The result of ongoing evaluation of these estimates forms the basis for applying judgment with regards to the carrying values of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from estimates. The Company's significant accounting policies are described in note 2 to the annual consolidated financial statements, the most significant of which is the fair value of investment properties.

Investment properties

Judgments

The acquisition of a property can be, and frequently is, considered to be an acquisition of a business. This is particularly the case when the acquisition is accompanied by the assumption of in-place tenant leases which, together with the land and building, form the primary inputs of a real estate business.

Judgment is required in determining whether the acquisition of properties represent an acquisition of discrete real estate assets or constitute a business combination in terms of IFRS 3, Business Combinations ("IFRS 3"). There are some key measurement differences (e.g., goodwill recognition for business combinations vs. no such recognition for asset acquisitions), as well as a difference in the treatment of acquisition related costs (expensed for a business combination vs. capitalized for asset acquisitions) that occur as a result of the determination. The Company accounts for acquisitions as a Business Combination in accordance with IFRS 3.

Estimates

Investment properties are measured at fair value in the consolidated balance sheet at each reporting date. Fair values are determined by independent external valuations or detailed internal valuations, generally using the overall capitalization rate ("OCR") method. Under this method, capitalization rates are applied to a stabilized NOI for each property, adjusted for market-based assumptions such as rent increases, long-term vacancy rates, repair and maintenance costs and other forecasted cash flows. Capitalization rates are based on recently closed transactions for similar properties, where available, or investment survey data, taking into account the location, size and quality of the property. The most significant assumption is the capitalization rate as it magnifies the effect of a change in stabilized NOI. An increase in the capitalization rate will result in a decrease to the fair value of an investment property and vice versa. Management monitors and assesses changes in the student housing market, which may affect the valuation parameters applied to the property.

Disclosure and Internal Control Over Financial Reporting

The Company could be adversely impacted if there are deficiencies in disclosure controls and procedures or internal control over financial reporting.

The design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. While management continues to review the design and effectiveness of our disclosure controls and procedures and internal control over financial reporting, the Company cannot assure the reader that the disclosure controls and procedures or internal control over financial reporting will be effective in accomplishing all control objectives all of the time.

Deficiencies, particularly material weaknesses, in internal control over financial reporting which may occur in the future could result in misstatements of our results of operations, restatements of our financial statements, a decline in our share price, or otherwise materially adversely affect our business, reputation, results of operation, financial condition or liquidity.

Because the Company is a venture issuer, under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, the Company's CEO and CFO are not required to provide certain representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in National Instrument 52-109, and in particular any representations relating to the establishment and maintenance of: (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis disclosure controls and procedures and internal control over financial reporting, as defined in National Instrument 52-109, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Off Balance Sheet Arrangements

The Company had no off balance sheet arrangements for the year ended December 31, 2014.

Subsequent Events

Oshawa, Ontario Acquisition

On January 15, 2015, the Company entered into an agreement of purchase and sale to purchase the Oshawa Property for $23.5 million, subject to standard adjustments. CHC has paid a non-refundable deposit of $750,000 as a result of the satisfaction of the purchaser's due diligence condition in respect of the acquisition. Closing of the transaction is expected to occur in the second quarter of 2015.

The Oshawa Property is a newly constructed purpose-built 260-bed student-housing complex that began operations on September 1, 2014. The property is a row townhouse style property with 3 and 5 bedroom units. The Oshawa Property is situated at 2 Taylorwood Road in Oshawa, across the street from the main entrances of the University of Ontario Institute of Technology and Durham College.

Name Change & Share Consolidation

On February 19, 2015, CHC filed an amendment to its articles of incorporation as approved by its shareholders at a special meeting of CHC's shareholders held on January 27, 2015, pursuant to which the Company's name was changed from "CHC Realty Capital Corp." to "CHC Student Housing Corp." and the Company's common shares were consolidated on the basis of one post-consolidation share for every 85 pre-consolidation shares. As a result of the share consolidation, the number of issued and outstanding common shares of the Company was reduced from 198,495,610 to 2,335,242, subject to adjustments from rounding at the individual shareholder level (no fractional shares will be issued in connection with the share consolidation and, in the event that a shareholder would otherwise be entitled to receive a fractional share upon the share consolidation, such fraction will be rounded down to the nearest whole number). For purposes of calculating per share amounts, the effects of the share consolidation have been applied retrospectively in accordance with requirements of IFRS. Further information regarding the name change and share consolidation are set out in the Company's management information circular dated January 2, 2015 prepared in connection with its shareholders meeting of January 27, 2015, which is available under the Company's profile on SEDAR at www.sedar.com.

Risks

There are certain risks inherent in an investment in the securities of CHC and in the activities of CHC, including those set out in CHC's materials filed with Canadian securities regulatory authorities from time to time, which are available under the Company's profile on SEDAR at www.sedar.com. Current and prospective holders of securities of CHC should carefully consider such risk factors.

If any of the following or other risks occurs, CHC's business, prospects, financial condition, financial performance and cash flows could be materially adversely impacted. In that case, the trading price of the securities of CHC could decline and investors could lose all or part of their investment in such securities, and the future ability of CHC to make distributions to shareholders could be adversely affected. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described or other unforeseen risks.

Unable to Implement Objectives From Strategic Plan.

The Company may be unable to successfully implement its objectives from its strategic plan, or may fail to realize benefits, which are currently targeted to result from the implementation of that plan.

The objectives from the strategic plan are subject to known and unknown risks, uncertainties and other unpredictable factors which, in addition to those discussed in this MD&A, include: the ability of the Company to complete future acquisitions, obtain necessary equity and debt financing and grow its business; the future operations and performance of the Company's properties including the anticipated extent of the accretion of any acquisitions and generating improved occupancy levels and rental income: the ability of the Company to reinvest to make improvements and maintenance to its properties; overall indebtedness levels, which could be impacted by the level of acquisition activity CHC is able to achieve and future financing opportunities; general economic and market conditions and factors; local real estate conditions; competition; interest rates; changes in government regulation; reliance on key personnel; and other risks that may adversely affect the Company's ability to optimize its strategic plan.

Real Property Ownership and Tenant Risk

All real property investments are subject to elements of risk. The value of real property and any improvements depend on the credit and financial stability of tenants and upon the vacancy rates of such properties. The Company's investment properties (hereinafter the "Properties") generate revenue through rental payments made by tenants. The ability to rent vacant suites in the Properties will be affected by many factors, including changes in general economic conditions, local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and various other factors. If a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the Properties becomes vacant and cannot be re-leased on economically favourable terms, the Properties may not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures.

Residential tenant leases are relatively short, exposing the Company to market rental rate volatility. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant will be replaced. The terms of any subsequent lease may be less favourable to the Company than those of an existing lease.

While the Company strives to achieve geographic diversification of its Properties, changes in general economic conditions will also affect the performance of the portfolio. The portfolio is currently weighted with 62% of its overall portfolio (by number of beds) in Ontario, making the Company's operations sensitive to its performance in, and any changes affecting, Ontario. On an asset concentration basis, 80% of the Company's investment properties are comprised by the London Property.

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates for the Properties or revenues to be derived therefrom. There can be no assurance that, upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues, and it may take a significant amount of time for market rents to be recognized by the Company due to internal and external limitations on its ability to charge new market-based rents in the short-term.

Market Growth Risk

No new universities are being built or are expected to be built, thereby capping the target market in Canada. Some universities may not have sufficient scale or may be in geographically remote or economically depressed locations rendering them unattractive. Some colleges are seeking accreditation as universities which can provide potential growth opportunity.

There is also a risk that certain markets may become over developed and saturated with cheaper units offered by competitors.

Competition

The real estate business is competitive. Numerous developers, managers and owners of properties compete with the Company in seeking tenants. The existence of competing developers, managers and owners and competition for the Company's tenants could have an impact on the Company's ability to lease beds in the Properties and on the rents charged.

In addition, the Company is subject to competition for suitable real property investments with individuals, corporations and institutions (both Canadian and foreign) which are presently seeking, or which may seek in the future, real property investments similar to those targeted by the Company. A number of these investors may have greater financial resources than those of the Company, or operate without the investment or operating discipline of the Company. An increase in the activity of investment funds, and an increase in interest in real property investments, may increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Liquidity of Real Estate Investments

Real estate investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for, and the perceived desirability of, such investments. Such illiquidity may limit the Company's ability to promptly adjust its portfolio in response to changing economic or other conditions. If the Company were to be required to quickly liquidate its real property investments, the proceeds might be significantly less than the aggregate carrying value of the Properties or less than what could be expected to be realized under normal circumstances.

Government Regulation

Certain provinces of Canada have enacted residential tenancy legislation, which imposes, among other things, rent control guidelines that limit the Company's ability to raise rental rates at the Properties. Limits on the Company's ability to raise rental rates at the Properties may adversely affect the Company's ability to increase income from the Properties.

In addition, residential tenancy legislation in certain provinces provides rights to tenants, while imposing obligations upon landlords. Residential tenancy legislation in the Provinces of Ontario and Québecin particular prescribe certain procedures, which must be followed by a landlord in order to terminate a residential tenancy. As certain proceedings may need to be brought before the respective administrative body governing residential tenancies as appointed under a province's residential tenancy legislation, it may take several months to terminate a residential lease, even where the tenant's rent is in arrears.

Further, residential tenancy legislation in certain provinces provides tenants with the right to bring certain claims to the respective administrative body seeking an order to, among other things, compel landlords to comply with health, safety, housing and maintenance standards. As a result, the Company may, in the future, incur capital expenditures, which may not be fully recoverable from tenants.

Residential tenancy legislation may be subject to further regulations or may be amended, repealed or enforced, or new legislation may be enacted, in a manner, which will materially adversely affect the ability of the Company to maintain the historical level of earnings of the Properties.

Significant Capital Expenditures and Expense risk

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the Company is unable to meet mortgage payments on any Property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or of sale.

The Company is also subject to utility and property tax risk relating to increased costs that the Company may experience as a result of higher resource prices as well as its exposure to significant increases in property taxes. There is a risk that property taxes may be raised as a result of re-valuations of municipal properties and their adherent tax rates. In some instances, enhancements to properties may result in a significant increase in property assessments following a revaluation. Additionally, utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. Residential leases are generally "gross" leases and the landlord is not able to pass on costs to its tenants.

In order to retain desirable rentable space and to generate adequate revenue over the long term, the Company must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards over its useful life can entail costs. Such costs may include a new roof, paved areas or structural repairs. Numerous factors, including the age of the building structure, the material and substances used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization. If the actual costs of maintaining or upgrading a property exceed the Company's estimates, or if hidden defects are discovered during maintenance or upgrading, which are not covered by insurance or contractual warranties, or if the Company is not permitted to raise the rents due to legal constraints, the Company will incur additional and unexpected costs. If competing properties of a similar type are built in the area where one of the Company's properties is located, or similar properties located in the vicinity of one of the Company's properties are substantially refurbished, the net operating income derived from, and the value of, such property could be reduced.

Any failure by the Company to undertake appropriate maintenance and refurbishment work in response to the factors described above could adversely affect the rental income the Company earns from such properties.

Lease Rollover Risks

Lease rollover risk arises from the possibility that the Company may experience difficulty renewing leases as they expire or in re-leasing space vacated by tenants upon their lease expiry.

Acquisition Risk and Unexpected Costs or Liabilities related to Acquisitions

The Company's strategy includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, completing acquisitions and effectively operating and leasing such properties. There can be no assurance as to the pace of growth through property acquisitions or that the Company will be able to acquire assets on an accretive basis.

Acquisitions of properties by the Company are subject to the normal commercial risks and satisfaction of closing conditions that may include, among other things, lender approval, , receipt of estoppel certificates for commercial leases and obtaining title insurance. Such acquisitions may not be completed or, if completed, may not be on terms that are exactly the same as initially negotiated. Acquisitions of properties involve risks, including the failure of the acquisition to yield the results the Company expects.

From time to time the Company may agree to acquire properties and not assume any mortgages secured thereby, rather intending, on or following closing of the acquisition, to obtain new mortgages secured by such properties. Failure to obtain such new mortgages prior to completion of any such acquisition would require the Company to obtain other sources of acquisition financing and could result in an acquisition not being completed or being completed only in part. If, upon completion of such an acquisition, the terms of the new mortgages are not finalized or the lenders thereunder have not committed to provide any financing pursuant to such mortgages, there can be no assurance that such mortgages will be obtained or, if obtained, will be on expected terms.

Risks associated with acquisitions include that there may be an undisclosed or unknown liability relating to the acquired property, and the Company may not be indemnified for some or all of these liabilities. Following an acquisition, the Company may discover that it has acquired undisclosed liabilities, which may be material. The due diligence procedures performed by management are designed to address this risk. The Company performs what it believes to be an appropriate level of investigation in connection with its acquisition of properties and seeks through contract to ensure that risks lie with the appropriate party.

General Insured and Uninsured Risks

The Company carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with customary policy specifications, limits and deductibles. The Company has insurance, subject to certain policy limits, deductibles, and will continue to carry such insurance if it is economical to do so. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. Should an uninsured or underinsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, one or more of the Properties, but would continue to be obligated to repay any recourse mortgage indebtedness on such Properties. Claims against the Company, regardless of their merit or eventual outcome, also may have a material adverse effect on the Company's ability to attract tenants or expand the Company's business, and will require management to devote time to matters unrelated to the operation of the business.

Litigation Risks

In the normal course of the Company's operations, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company.

Even if the Company prevails in any such legal proceeding, the proceedings could be costly and time-consuming and would divert the attention of management from the Company's business operations.

Reputation Risk

Reputation risk could occur at the property level due to negligence or an Act of God leading to disastrous property damage or death.

Interest Rate Risk

The Company has both fixed and floating rate mortgages. The fixed rate mortgages were entered into during the year and range in term from seven months to 5 years. The floating rate mortgages have terms of one to three years. The impact of a 50 basis point change in floating rate debt would be an increase or decrease in interest expense of $192,500 on an annual basis. The impact of a 50 basis point change on fixed rate debt maturing in the next 12 months would be an increase or decrease in interest expense of $82,606 on an annual basis. The Company does not use interest rate hedges to manage its exposure to interest rate fluctuations.

Access to Capital and Financial Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Company's financial obligations associated with financial liabilities. Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations, if any, at their maturity.

The real estate industry is highly capital intensive. The Company requires access to capital to maintain the Properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurance that the Company will otherwise have access to sufficient capital or access to capital on terms favourable to the Company for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes.

Global financial markets have experienced a sharp increase in volatility during recent years. The underlying market conditions may continue or become worse, and unexpected volatility and illiquidity in financial markets may inhibit the Company's access to long-term financing in the Canadian capital markets. As a result, it is possible that financing which the Company may require, in order to grow and expand its operations or upon the expiry of the term of financing, may not be available on favourable terms to the Company.

As at December 31, 2014, the Company had outstanding indebtedness of approximately $55,020,749 (after adjusting for unamortized financing costs of approximately $370,252). A portion of the cash flow generated by the Properties is devoted to servicing the Company's debt, and there can be no assurance that the Company will continue to generate sufficient cash flow from operations to meet required interest and principal payments. If the Company is unable to meet interest or principal payments, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing. There is a risk that the Company may be unable to make or renegotiate interest or principal payments or obtain additional equity, debt or other financing.

The Company is subject to the risks associated with debt financing, including the risk that the mortgages secured by the Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness due to, for instance, higher interest rates. To the extent that the Company utilizes variable rate debt, such debt will result in fluctuations in the Company's cost of borrowing as interest rates change.

Credit Risk

Credit Risk rises from the possibility that debtors may be unable to fulfill their commitments. As of the date of these financial statements the Company's debtors are the Government of Canada for Harmonized Sales Tax receivable and the Company's residents who may experience financial difficulty and be unable to meet their rental obligations.

Reliance on Key Personnel Risk

The Company's ongoing success will be dependent upon key personnel, particularly Mark Hansen and Robert Waxman. If the Company's business is to expand in the future, the Company must hire additional service and administrative personnel and, in particular, individuals skilled in finance, operations and marketing. If the Company is unable to hire and retain these employees, its business and results of operations may be adversely affected. Additions of new personnel and departures of existing personnel may disrupt the business and may result in the departure of other employees. The Company also depends on the continued service of its key personnel. The Company does not have key person life insurance covering any of its personnel.

Dilution of Shares

The number of common shares the Company is authorized to issue is unlimited. The Company may, in its sole discretion, issue additional common shares or convertible securities exchangeable into common shares from time to time subject to the rules of any applicable stock exchange on which the common shares are then listed. The issuance of any additional common shares may have a dilutive effect on the interests of holders of Shares.

Volatility of the Market Price for the Company's Shares

The market price for the Company's securities may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's financial performance and future prospects; (ii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iii) addition or departure of the Company's executive officers; (iv) release or expiration of lock-up or other transfer restrictions on outstanding common shares; (v) sales or perceived sales of additional securities; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets; (viii) liquidity of the Company's securities; (ix) prevailing interest rates; (x) the market price of other real estate company securities; and (xi) general economic conditions.

Financial markets have, in recent years, experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such issuers. Accordingly, the market price of the Company's securities may decline even if the Company's financial performance, underlying asset values, or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Company's securities by those institutions. There can be no assurance that continuing fluctuations in price and volume will not occur.

Selected Consolidated Financial Information

The following selected financial information should be read in conjunction with ‘‘Management’s Discussion and Analysis’’, the audited consolidated financial statements and accompanying notes for the periods ended December 31, 2014 and 2013, and the unaudited interim consolidated financial statements of the Company and accompanying notes for the applicable periods.

	For the Three Months Ended				
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	Mar. 31, 2014	Dec. 31, 2013
Property revenues	$830,208	$103,931	$59,692	Nil	Nil
Net loss and comprehensive loss	($2,033,753)	($315,715)	($297,465)	($23,477)	($319,162)
Add (deduct):					
Acquisition transaction costs	$1,385,970	$116,681	$207,703	$ -	$ -
FFO	($647,783)	($199,034)	($89,762)	($23,477)	($319,162)
Basic & diluted net loss per share(1)	($1.09)	($0.37)	($0.46)	($0.04)	($3.09)
Basic & diluted FFO per share(1)	($0.35)	($0.23)	($0.14)	($0.04)	($0.04)
Basic & diluted shares outstanding(1)	1,864,636	848,208	647,059	647,059	103,387

1 – After giving retroactive effect of the 85 to 1 common share consolidation that occurred on February 19, 2015. See “*Subsequent Events*”.

Additional Information

Additional information relating to the Company is available under the Company’s profile on SEDAR at www.sedar.com

To contact CHC regarding investor relations matters directly, please contact Robert Waxman, CFO at 647-288-9375.