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

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 and 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**") constitutes management's review of the factors that affected the Company's operating performance for the three and nine month periods ended September 30, 2015 and September 30, 2014 and its financial position as at September 30, 2015. This MD&A is dated and has been prepared with information available as of November 24, 2015.

This MD&A should be read in conjunction with the Company's unaudited consolidated financial statements for the period ended September 30, 2015 and accompanying notes (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

The MD&A was prepared in accordance with Form 51-102F1 and 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 Annual Information Form of the Company dated March 5, 2015, 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 real estate company focusing on owning and managing student housing properties. CHC's business model is centered on three distinct strategies through which it expects to achieve its goal of becoming the leading owner of high quality Canadian student housing real estate: (i) acquiring purpose-built student housing assets based on CHC's stringent investment criteria; (ii) opportunistically acquiring traditional multi-residential assets that management believes can be repositioned to student housing; and (iii) providing financing for purpose-built student housing development projects which will allow CHC to generate attractive financial returns while also providing it with an identified pipeline of future acquisitions.

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**") under the policies of the TSX Venture Exchange Inc. (the "**TSXV**"). The common shares of the Company were listed for trading on the TSXV 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 policies of the TSXV), the business of the Company was restricted to the identification and evaluation of potential opportunities with a view to completing a Qualifying Transaction. CHC 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 standard adjustments. 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 to add 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, as approved at a meeting of its shareholders held on October 9, 2014. 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 to change its name from "CHC Realty Capital Corp." to "CHC Student Housing Corp.", and to consolidate its issued and outstanding common shares on the basis of one post-consolidation share for every 85 pre-consolidation shares, both as approved at a meeting of its shareholders held on January 27, 2015. Immediately prior to the completion of the consolidation, CHC had 198,495,610 common shares issued and outstanding. After giving effect to the consolidation, CHC had 2,335,181 common shares issued and outstanding. A copy of the articles of amendment has been filed under the Company's profile on SEDAR at www.sedar.com.

Strategy & Outlook

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

Our Strategy

CHC's business model is centered on three distinct strategies. Firstly, CHC acquires purpose-built student housing assets based on CHC's stringent investment criteria, which focus on the location, valuation and quality of the asset. In evaluating an acquisition, management considers multiple factors including age, amenities, market position, overall design and proximity to campus. Secondly, CHC opportunistically acquires traditional multi-residential assets that management believes can be repositioned to student housing. Lastly, CHC intends to provide financing for purpose-built student housing development projects which will generally be completed within 12 to 36 months, and which will allow CHC to generate attractive financial returns through interest income and profit sharing while also providing it with an identified pipeline of future acquisitions through certain options and/or rights of first refusal or offer. It is through the execution of these three strategies that CHC expects to achieve its goal of becoming the leading owner of high quality Canadian student housing real estate.

Management believes that the student housing real estate sector is benefitting from compelling underlying market fundamentals. Limited supply of high quality, purpose-built properties combined with strong estimated enrolment growth is expected to create a supply-demand imbalance which will benefit owners of student housing real estate and sustain occupancy at levels comparable to or greater than multi-residential real estate. Furthermore, student housing real estate often exhibits higher revenue per unit relative to multi-residential real estate, as a result of "by the bed" lease terms and optimal unit configurations which increase the number of beds per unit. CHC is also the first market consolidator focusing solely on student housing, which is a highly fragmented sector in Canada. Management believes that the above strong market dynamics make this an opportune time to invest in student housing real estate.

CHC will seek to pursue acquisitions that align with the Company's stringent investment criteria focused on location, valuation and asset quality. However, the Company may also undertake opportunistic acquisitions under circumstances in which management believes a student housing property requiring value-add capital can be acquired at an attractive valuation and its profitability improved upon completion of repositioning efforts.

When evaluating potential acquisition opportunities, CHC focuses on: (i) markets with high student enrolment, either due to the presence of a large post-secondary institution or multiple mid-sized institutions; (ii) markets in which a majority of the student population resides off-campus due to insufficient on-campus capacity; (iii) properties that are located in close proximity to a post-secondary institution, generally within 2.0 km, or which may be farther from campus but located in a downtown area where students spend time away from campus; (iv) properties that have been recently built and have minimal annual capital expenditure requirements; (v) properties characterized by high occupancy, or with potential for value enhancement through repositioning or other value-add initiatives (for example, adding beds to acquired properties, introducing furnished apartments, implementing new marketing strategies and improving property management); and (vi) properties that can be purchased at an attractive valuation, preferably below replacement cost.

Outlook

During the quarter, the Company determined not to proceed with its proposed public equity offering previously announced on May 14, 2015 due to macro driven volatility within equity markets especially for real estate companies and the inability to achieve offering terms acceptable to the Company, and withdrew its preliminary short form prospectus in respect of the offering. In connection with the termination of the proposed offering, the Company determined not to proceed with the various property acquisitions described in the prospectus, with the exception of the proposed acquisition of the Sudbury Property (as defined below), which remains under contract. .

The Company is reviewing various strategic alternatives to the terminated offering and for financing the Company's operations and business plan. In the meantime, the Company is focused in the short term on operational efficiencies in order to improve its financial position and resources.

The condensed consolidated financial statements are prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at September 30, 2015 the Company has not achieved profitable operations and has incurred approximately $2,600,000 in costs related to the cancelled equity offering. The above factors result in a material uncertainty, which casts significant doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to satisfy these liabilities through a financing, achieving profitable operations in the future, entering into a joint venture or sale of a portion of the Company's assets in order to have sufficient funding to meet its obligations as they come due and/or the conclusion of suitable arrangements for the payment and settlement of these costs in the future. If the going concern was not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary to the carrying values of the assets and liabilities, the reported net loss and the classifications used in the statements of financial position. There can be no assurance that the Company will be able to complete any of these matters under terms favorable to the Company.

Portfolio Overview

Since the completion of its Qualifying Transaction, CHC has been pursuing the expansion of its student housing business through additional acquisitions. At September 30, 2015, CHC owned 4 properties having 825 beds and 13,750 sq. ft. feet of ancillary ground floor commercial space.

Completed Acquisitions

Address	City, Province	Purchase Price	Beds	Commercial 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	306	-	October 2014
675 Richmond Street	London, ON	$55,000,000	384	12,642	November 2014
Total		**$68,900,000**	**825**	**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 ancillary ground floor commercial space in one building, and is located approximately 1.0km 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 2014, 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 was 100% leased at September 30, 2015.

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. Occupancy of the property at September 30, 2015 was approximately 90%. CHC views this property as a repositioning opportunity. The Company has begun to market the units strictly as student accommodation and to implement its student-oriented operating strategy. Among other things, management has begun leasing by the bed, and subject to financing, 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 acres 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 constituted 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 306 beds in 77 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. 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 in the normal course 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. On September 30, 2015 the occupancy of the property was 74%.

During the second quarter of 2015 the Company renovated approximately 10% of the beds including common areas in anticipation of increasing rents and occupancy. During the current quarter these renovated beds were leased at an average increase of approximately 36% from the standard rental rates prior to being renovated. In addition, occupancy rates increased from approximately 60% on acquisition to the current 74%.

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**"). At the time of acquisition the London Property had 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 Western University. Today there are 384 beds. This property is a traditional apartment building tenanted primarily by students at Western University. Occupancy of the residential portion of the property at September 30, 2015 was approximately 91% and the commercial space is 100% leased. The Company has begun to market the units strictly as student accommodation and 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 the time of acquisition as well as plans to increase the number of beds at the property by approximately 12%. The Company has also begun to optimize parking revenue. 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. Subject to financial resources, 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 has also added 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. 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 2.91%) per annum, maturing in November 2017 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 3 Month Banker's Acceptance Rate plus 4.75% (currently 5.51%) per annum, maturing in November 2015 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 nine months and increasing to 14.0% thereafter, maturing in June 2015 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 nine months and increasing to 18.0% thereafter, maturing in June 2015 and payable with respect to interest only. In December 2014, the Company repaid in full the balance of the $2.5 million debt facility. During the end of the quarter, the Company received terms to refinance the $8.25 million second mortgage for a term of 12 months at a rate of 9.5% per annum, and received terms to refinance $5.5 million of the first mortgage for 1 year from maturity on November 19, 2015 at a rate of 9.5%. Subsequent to the end of the quarter both pieces of debt were refinanced at the negotiated terms (see Subsequent Events).

The acquisition of the London Property constituted 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 February 27, 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.

Fair Value

The fair value of the property portfolio represents 95% of the total assets of CHC as at September 30, 2015.

	Period ended September 30, 2015	Period ended September 30, 2014
Balance at beginning of the period	$68,694,530	$8,400,000
Capital expenditure	$ 258,714	$ -
Total	$68,953,244	$8,400,000

The fair value of the Company's income producing properties reflects a weighted average capitalization rate of 6.0% (December 31, 2014 – 6.0%). A 25 basis point change in the utilized capitalization rate would cause the estimated fair value of investment properties to change by approximately $2.8 million. A $100,000 change in net operating income would cause a change in fair value of $1.6 million.

Other Transaction

Address	City, Province	Purchase Price	Beds	Retail Sq. Ft.
50 Lisgar Street	Sudbury, ON	$5,500,000	70	4,500
Total		**$5,500,000**	**70**	**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 standard 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 the vendor's receipt of an acceptable record of site condition issued by a regulatory authority for the property on or before December 31, 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. In the event that the vendor is unable to obtain the record of site condition for the property on or before December 31, 2015, CHC would be entitled to terminate the acquisition and receive a return of the $500,000 in deposits. During the quarter, the Company was informed by the vendor that the record of site condition for the property would not be received until some time in 2016. It was agreed that the required condition of providing the record of site condition to complete the transaction would be extended until December 31, 2016 in exchange for $450,000 of the $500,000 non-refundable deposit being returned to the Company. The Company received the funds and extended the outside date of the transaction prior to the end of the quarter.

Results of Operations

The financial performance and results of operations contained in this MD&A cover the three and six month periods ended September 30, 2015 and 2014. During the prior period from Jan 1, 2014 to March 31, 2014, the Company did not have any operations other than the investigation of a Qualifying Transaction. The Company completed its Qualifying Transaction in April 2014.

Non-IFRS Performance Measures

CHC uses certain non-IFRS measures as key performance indicators including net operating income ("**NOI**"), funds from operations ("**FFO**") and adjusted funds from operations ("**AFFO**"). CHC believes these non-IRFS measures provide useful supplemental information to both management and investors in measuring the financial performance of CHC.

CHC defines NOI as property revenues less property operating expenses. 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 properties.

FFO is a non-IFRS 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 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 Company's 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, acquisition transaction costs and deferred income taxes, if any. 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.

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. However, AFFO should not be considered as an alternative to cash flows provided by operating activities determined in accordance with IFRS.

CHC calculates AFFO by adjusting FFO for certain non-cash income and expenses, such as straight-line rent and amortization of financing transaction costs and any debt premiums or discounts, 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.

NOI, FFO and AFFO are not measures defined by IFRS, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income/loss, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. NOI, FFO and AFFO, as computed by CHC, may differ from similar measures as reported by other companies in similar or different industries.

Summary of Selected Financial and Operational Information

The selected financial information set out below is based on and derived from the Financial Statements.

Statement of Comprehensive Loss Data	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Property revenues	$1,219,784	$103,931	$3,823,125	$163,622
Property operating expenses	(649,160)	(51,834)	(2,107,635)	(81,692)
NOI	570,624	52,097	1,715,490	81,930
General & administrative expense	(183,034)	(231,239)	(4,246,800)	(367,549)
Acquisition transaction costs	-	(116,681)	(348,338)	(324,384)
Interest income	1,976	4,442	2,443	13,082
Interest expense	(715,175)	(24,334)	(2,227,347)	(39,736)
Net loss	($325,609)	($315,715)	($5,104,552)	($636,657)
Net loss per share – basic and diluted	($0.14)	($0.31)	($2.19)	($0.83)
FFO [(1)(2)]	($325,609)	($199,034)	($4,756,214)	($312,273)
FFO per share	($0.14)	($0.20)	($2.04)	($0.41)
AFFO[(1)(2)]	($273,474)	($200,471)	($4,037,983)	($309,335)
AFFO per share	($0.12)	($0.20)	($1.73)	($0.40)
Weight average shares outstanding	2,335,181	1,012,233	2,335,181	770,121

1 – FFO & AFFO are non-IFRS performance measures. Please refer to definition on pages 7 & 8 as well as the reconciliation from net loss on page below.

Statement of Financial Position Data	As at September 30, 2015	As at December 31, 2014
Cash	$1,324,069	$2,232,112
Investment properties	$68,953,244	$68,694,530
Total assets	$71,040,203	$72,715,005
Mortgages payable, current	$13,823,660	$13,730,604
Mortgages payable, non-current	$40,926,914	$40,919,892
Total liabilities	$58,642,173	$55,644,404

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 September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Net loss	($325,609)	($315,715)	($5,104,552)	($636,657)
Add:				
Acquisition transaction costs	-	116,681	348,338	324,384
Funds From Operations	($325,609)	($199,034)	($4,756,214)	($312,273)
Add (subtract):				
Non-cash compensation[(1)]	-	-	432,726	-
Rental guarantee	66,275	-	198,824	-
Amortization of financing transaction costs	23,092	1,413	209,958	5,788
Straight line rent	3,869	-	24	-
Maintenance capital expenditures reserve [(2)]	(41,100)	(2,850)	(123,300)	(2,850)
Adjusted Funds From Operations	($273,474)	($200,471)	($4,037,983)	($309,335)

(1) The adjustment for non-cash compensation relates to the accelerated amortization of cancelled options awarded in December 2014. Industry practice normally would not adjust for non-cash compensation in the calculation of AFFO. However, as the options were cancelled and the balance expensed in the fiscal first quarter in its entirety, the Company has determined that under the circumstances adjusting AFFO is reasonable. The Company will follow industry practices under normal course for non-cash compensation that is not cancelled.

(2) Actual total capital expenditures for the three and nine month periods ended September 30, 2015 were $15,553 and $258,737 respectively. Of these amounts only $15,553 and $25,770 respectively were classified as maintenance capital expenditures.

FFO for the three months ended September 30, 2015 and 2014 amounted to ($325,609) or ($0.14) per share and ($199,034) or ($0.20) per share, respectively. AFFO for the three months ended September 30, 2015 and 2014 was loss of ($273,474) and ($200,471) or ($0.12) per share and ($0.20) per share, respectively. The increased loss is primarily attributable to the additional interest costs from mortgages on properties purchased post the third quarter of 2014.

FFO for the nine months ended September 30, 2015 and 2014 amounted to ($4,756,214) or ($2.04) per share and ($312,273) or ($0.41) per share. AFFO for the nine months ended September 30, 2015 and 2014 was ($4,037,983) and ($309,335) respectively. On a per share basis AFFO for the nine month periods was ($1.73) and ($0.40) respectively. The increased loss was a result of the costs of the cancelled equity offering, the forfeited deposit on the Taylorwood acquisition, an increase in corporate general and administrative expenses and increased interest costs.

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

Reconciliation of cash generated from/(used in) operating activity to AFFO	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Cash generated from/(used in) operating activities	$87,391	($396,854)	($565,491)	($711,082)
Add (subtract):				
Acquisition transaction costs	-	116,681	348,338	324,384
Write off of deposit on property	-	-	(750,000)	-
Changes in non-cash working capital	(329,926)	82,552	(2,725,767)	81,627
Rental guarantee	66,275	-	198,824	-
Depreciation	(3,177)	-	(6,213)	-
Non-cash interest expense	(55,250)	-	(416,688)	(1,414)
Capital expenditure reserve	(41,100)	(2,850)	(123,300)	(2,850)
Adjusted Funds From Operations	($273,474)	($200,471)	($4,037,983)	($309,335)

Overall Performance

Statement of Comprehensive Loss Data	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2015
Property revenues	$1,219,784	$103,931	$3,823,125	$163,622
Property operating expenses	(649,160)	(51,834)	(2,107,635)	(81,692)
NOI	570,624	52,097	1,715,490	81,930
General & administrative expense	(183,034)	(231,239)	(4,246,800)	(367,549)
Acquisition transaction costs	-	(116,681)	(348,338)	(324,384)
Interest income	1,976	4,442	2,443	13,082
Interest expense	(715,175)	(24,334)	(2,227,347)	(39,736)
Net loss and comprehensive loss	($325,609)	($315,715)	($5,104,552)	($636,657)

Acquisition Activity

The Company currently owns 4 operating properties as outlined above in the Portfolio Overview. These properties were purchased as follows during 2014: The Kingston Property was purchased on April 3rd, the Windsor Property was purchased on September 11th, the Trois-Rivières Property was purchased on October 9th and the London Property was purchased on November 19th. It is the timing of these acquisitions that primarily explains the changes in operating results on both a three and nine month basis.

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.

Property revenues for the three months ended September 30, 2015 and 2014 were $1,219,784 and $103,931 respectively. The increase in Property revenues is a result of acquisition activity. All of the Company's residential leases are for a term of one year or less. Year to date residential leases account for approximately 90% of the Company's rental revenue. Approximately 87% of the Company's rental revenue is earned in the province of Ontario and 70% of total revenue is derived from a single property in London, Ontario.

Property revenues for the nine months ended September 30, 2015 and 2014 were $3,823,125 and $163,622 respectively. The increase in Property revenues is a result of acquisition activity.

Property Operating Expenses

Property expenses consist 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 are recoverable from tenants. Monitoring and controlling property level costs is an important component of CHC's business. For the three months ended September 30, 2015 property expenses were $649,160; this compares to $51,834 for the three months ended September 30, 2014, the increase in Property operating expenses is a result of acquisition activity.

For the nine months ended September 30, 2015 and 2014 property expenses were $2,107,635 and $81,692. The increase in Property operating expenses during the comparative period is a result of acquisition activity.

Property operating expenses consist of the following:

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2015
Realty taxes	$205,929	$20,435	$613,541	$30,575
Wages and Benefits	126,485	3,756	368,148	7,438
Utilites	114,703	6,379	519,759	7,484
Repairs and maintenance	79,373	4,798	230,979	7,877
Management fees	42,152	6,840	131,921	11,467
General and marketing	34,837	5,173	110,911	9,445
Insurance	31,025	4,453	100,707	7,406
Bad debt expense (recovery)	14,633	-	24,916	-
Other	23	-	6,753	-
Total	$651,475	$51,834	$2,107,635	$81,692

Net Operating Income

NOI for the three months ended September 30, 2015 and September 30, 2014 was $570,624 and $52,097 respectively. The increase in NOI is a result of acquisition activity.

NOI for the nine months ended September 30, 2015 and September 30, 2014 was $1,715,490 and $81,930 respectively. The increase in NOI is a result of acquisition activity.

General & Administrative Expenses

General & administrative expenses relate to head office and public company costs. Head office costs include rent, corporate marketing and compensation. Public company costs include audit, legal and filing costs related to the Company's listing on the TSXV.

General and administrative costs for the three and nine month periods ended September 30, 2015 and 2014 were $183,034 and $231,239 and $4,246,799 and $367,549 respectively. The decrease during the three month period was primarily a result of the branding and website costs incurred during the third quarter of 2014 that were one time expenses. During the nine month period the increase relates to the cancelled equity offering costs of approximately $2,600,000, the terminated acquisition as well as non-cash compensation of $432,726 relating to accelerated amortization resulting from the cancelation of the options awarded in December 2014.

Interest Income

Interest income for the three months ended September 30, 2015 of $1,976 was a result of interest earned from deposits on properties while during the comparative period ended September 30, 2014 interest income was $4,442 and was attributable to interest earned from investing the Company's available cash in short-term marketable securities.

Interest income for the nine months ended September 30, 2015 of $2,443 was a result of interest earned from deposits on properties while during the comparative period ended September 30, 2014 interest income was $13,082 and 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 one floating rate mortgage as of September 30, 2015 as compared to two fixed rate mortgages as of September 30, 2014. The interest expense for the three months ended September 30, 2015 and 2014 was $715,175 and $24,334 respectively. The increase in interest expense is a result of acquisition activity.

The interest expense for the nine months ended September 30, 2015 and 2014 was $2,227,347 and $39,736 respectively. The increase in interest expense is a result of acquisition activity.

Amortization of financing transaction costs relate to each of the mortgages. The Company amortizes deferred financing costs over the term of the mortgage. The financing transaction costs amortized in the three and nine months ended September 30, 2015 were primarily a result of two short term mortgages that were entered into with respect to the acquisition of the London Property. Please refer to the "Liquidity and Financial Position" for a discussion on the debt for the London Property. (See - Risks –*Interest Rate Risk*)

	Three Months Ended September 30, 2015	**Three Months Ended September 30, 2014**	**Nine Months Ended September 30, 2015**	**Nine Months Ended September 30, 2015**
Interest expense	$692,083	$22,921	$2,017,389	$32,534
Amortization of financing transaction costs	$23,092	$1,413	$209,958	$7,202
	$715,175	$24,334	$2,227,347	$39,736

Leasing Activity

The future operating performance of CHC will be significantly 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. The Company continues 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.

Going Concern

The condensed consolidated financial statements are prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at September 30, 2015 the Company has not achieved profitable operations and has incurred approximately $2,600,000 in costs related to the cancelled equity offering. The above factors result in a material uncertainty, which casts significant doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to satisfy these liabilities through a financing, achieving profitable operations in the future, entering into a joint venture or sale of a portion of the Company's assets in order to have sufficient funding to meet its obligations as they come due. If the going concern was not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary to the carrying values of the assets and liabilities, the reported net loss and the classifications used in the statements of financial position. There can be no assurance that the Company will be able to complete any of these matters under terms favorable to the Company.

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 September 30, 2015, the Company had cash on hand of $1,324,069.

Discussion of cash flows during the period

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Cash generated from/(used in) operating activities	$87,391	($396,854)	($565,491)	($711,082)
Cash generated from/(used in) investing activities	$763,810	($6,750,000)	($235,928)	($8,956,648)
Cash generated from/(used in) financing activities	($35,104)	$11,373,150	($106,624)	$11,370,650
Cash generated from/(used in) the period	$816,097	$4,226,296	($908,043)	$1,702,920

Cash flows generated from/used in operating activities

For the three months ended September 30, 2015 cash generated from operating activities was a result of positive changes to working capital, while during the same period of 2014 cash used in operating activities was primarily a result of the losses incurred during the quarter as the Company only had 18 beds under ownership for the full period. For the nine months ended September 2015 and 2014 cash flows used in operating activities related primarily to operating losses during the quarter offset by non-cash interest expense.

Cash flows generated from/used in investing activities

For the three months ended September 30, 2015 cash flow generated by investing activities was a result of the refund of deposits on proposed acquisitions, while during the same period of 2014 cash used in investing activities was a result of the acquisition of the Windsor property. For the nine months ended September 30, 2015 cash used in investing activities was primarily a result of capital expenditures at the properties partially offset by the returned deposits, while during the same period for 2014 cash used in investing activities was a result of the acquisition of the QT Property as well as the Windsor property and deposits on other potential acquisitions.

Cash flows generated from/used in financing activities

For the three months ended September 30, 2015 cash flows used in finance activities related primarily to the repayment of mortgage principal, while during the same period of 2014 cash generated from financing activities is a result of the private placement equity offering completed in the third quarter of 2014 as well as the proceeds raised from a mortgage to fund the Windsor Property. During the nine months ended September 30, 2015 cash flows used in financing activities related primarily to the repayment of mortgage principal, while during the same period of 2014 cash generated from financing activities is a result of the private placement offering completed during the third quarter of 2014 as well as the proceeds raised from a mortgage to fund the Windsor Property.

Debt

The Company's long-term debt principal repayments as at September 30, 2015 are as follows:

As at September 30, 2015		Principal Amount	% of Total Principal
Remainder of 2015		13,785,423	25.1%
2016		2,895,448	5.3%
2017		33,150,788	60.3%
2018		156,324	0.3%
2019		4,928,317	9.0%
Subsequent		-	
		54,916,300	100%
Unamortized financing transaction costs		(165,726)	
Total		54,750,574	
Less: Current portion		(13,823,660)	
Total		$40,926,914	

Mortgages have fixed rates that range from 3.47% to 14.0%. The variable rate mortgages are at 215 basis points and 475 basis points above the 90 day Bankers Acceptance rate. Maturity dates range from August 2015 to October 2019. The weighted average interest rate at September 30, 2015 was 4.95% and the weighted average term to maturity was 1.8 years. Excluding the short term debt related to the London Property the weighted average interest rate drops to 3.06% and the weighted average term to maturity increases to 2.3 years. At September 30, 2015 fixed rate and variable rate debt were $16.4 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 maturing on July 1, 2015 and was extended to August 31, 2015 by the lender and $5.5 million of the first mortgage maturing on November 19, 2015, both of which are secured by the London Property. Subsequent to the end of the quarter the Company completed the refinancing of both of these pieces of debt at the negotiated terms, See "Subsequent Events".

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

See "Subsequent Events".

Equity

Disclosure of Outstanding Share Data

	As at September 30, 2015	As at September 30, 2014
Total outstanding at the beginning of the period	2,335,181	647,059
Issued	-	804,595
Total outstanding at the end of the period	2,335,181	1,451,654

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. As of September 30, 2015, the Company had 2,335,181 common shares issued and outstanding. The Company did not issue any common shares during the period. During the comparative period the Company issued 804,595 common shares in a private placement priced at $9.35.

On February 19, 2015 the Company consolidated the common shares of the Company on a basis of one post-consolidation share for every 85 pre-consolidation shares (subject to rounding down for fractional shares at the individual shareholder level). All share information in this MD&A is presented on a post-consolidation basis.

Other Issued Securities

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

	Total
Options:	
2013 issued - vested	48,529
Warrants	871,822
Agent's options	11,764
Total Other Issued Securities	932,115

The stock options are exercisable to acquire one common share of the Company at an exercise price of $8.50 per share and have an expiry date of November 2018. During the period the Company cancelled all of the options awarded in December 2014.

The warrants were issued on November 19, 2014 and have a 36 month term from the date of issue. Each warrant entitles the holder to purchase one common share of the Company for each warrant held at a price of $11.05.

The agent's options 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 $8.50 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 period ended September 30, 2015.

Subsequent Events

Mortgage Refinancing

Subsequent to the end of the quarter, the Company completed the refinancing of the $8.25 million second mortgage on the London Property for a term of 12 months at a rate of 9.5% per annum, and the $5.5 million of the first mortgage on the London Property for a term of 1 year from the date of maturity, November 19, 2015 at a rate of 9.5%.

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 anticipated results from the Company's plans to reposition certain properties; 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.

In particular, the Company's ability to successfully implement its objectives from its strategic plan has been adversely affected by the termination of its proposed public offering announced on May 14, 2015. The Company is reviewing various strategic alternatives to the terminated offering and for financing the Company's operations and business plan. Subject to the availability of financing, the Company intends to continue to pursue its stated business plan, including additional growth through acquisitions. In the meantime, the Company is focused in the short term on operational enhancements in order to improve its financial position and resources.

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 properties generate revenue through rental payments made by tenants. The ability to rent vacant suites in CHC's 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 CHC's 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.

Geographic Concentration

While the Company strives to achieve geographic diversification of its properties, changes in general economic conditions will also affect the performance of the Company's portfolio. The portfolio is currently weighted with 63% 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. Consequently, the market value of the London Property and the income generated from it could be negatively affected by any adverse changes in the post-secondary institutions in London, Ontario and other local and regional economic conditions. These factors may differ from those affecting post-secondary institutions or the real estate markets in other regions.

Student Housing

CHC generally attempts to lease its beds or units under 12-month leases, but in certain cases leases may be for nine-month or shorter-term leases. As a result, CHC could experience reduced cash flows during the summer months at properties with lease terms shorter than 12 months. Furthermore, all of CHC's properties must be entirely re-leased each year, exposing it to increased leasing risk. In addition, CHC is subject to increased leasing risk on future acquired properties based on its lack of experience leasing those properties and unfamiliarity with their leasing cycles. Student housing properties are also typically leased during a limited leasing season that usually begins in January and ends in August of each year. CHC is therefore highly dependent on the effectiveness of its marketing and leasing efforts and personnel during this season.

Changes in university admission policies could adversely affect CHC. For example, if a post-secondary institution proximate to CHC's properties reduces its number of student admissions, the demand for beds at CHC's properties may be reduced and its occupancy rates may decline. While CHC may engage in marketing efforts to compensate for such a change in admission policy, it may not be able to effect such marketing efforts prior to the commencement of the annual lease-up period or its additional marketing efforts may not be successful.

In addition, in the event that CHC or any post-secondary institution proximate to CHC's properties experiences an unforeseen event which may result in negative publicity and media coverage and a loss of reputation, such as crimes occurring on or in the vicinity of the institution or other negative publicity regarding the safety or treatment of students, the institution may suffer reputational damage and adverse effects on enrolment, which may in turn have an adverse effect on CHC's properties.

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 its 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.

CHC will compete with various owners, operators and developers in the student housing real estate industry, both in terms of on-campus and off-campus alternative rental options, including traditional multi-residential and single family home rental options located within proximity to CHC's properties. Some of these parties own, or may in the future own, properties that compete directly with CHC's properties, and some of these parties may have greater capital resources than CHC.

At present, the Canadian student-housing industry is not mature and is fragmented. However, if CHC's competitors build new properties that compete with CHC's current or future properties, or offer beds at rental rates below current market rates or below the rental rates CHC charges its tenants, CHC may lose potential tenants and it may be pressured to discount its rental rates below those it would otherwise charge in order to retain tenants. As a result, CHC's rental revenues may decrease in the future, which could impair CHC's ability to satisfy any debt service obligations and to generate stable positive cash flow from its operations. In addition, increased competition for tenants may require CHC to make capital improvements to facilities that it would not have otherwise made. Any unbudgeted capital improvements CHC undertakes may reduce cash flow generated by CHC's operations.

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 its 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 its 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 Québec in 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 have initial terms from twelve months to 5 years. The floating rate mortgages have initial terms of one to three years. The impact of a 25 basis point change in floating rate debt would be an increase or decrease in interest expense of approximately $100,000 on an annual basis. The impact of a 25 basis point change on fixed rate debt maturing in the next 12 months would be an increase or decrease in interest expense of approximately $41,000 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 its 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 September 30, 2015, the Company had outstanding indebtedness of approximately $54,750,574 (after adjusting for unamortized financing costs of approximately $165,726). A portion of the cash flow generated by the Company's 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 Company's cash flows will be insufficient to meet required payments of principal and interest, the risk that the mortgages secured by its 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. In addition, 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.

If the Company is unable to refinance its indebtedness on acceptable terms, or at all, it might be forced to dispose of one or more of its properties on disadvantageous terms, which might result in losses. Such losses could have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

Furthermore, if a property is mortgaged to secure the payment of indebtedness and the Company is unable to meet mortgage payments, the mortgagee could foreclose upon the property, appoint a receiver and receive an assignment of rents and leases or pursue other remedies, all of which could result in lost revenues and asset value to the Company.

The degree to which the Company is leveraged could have important consequences to shareholders, including: (i) the Company's ability to obtain additional financing for working capital in the future may be limited; (ii) a portion of the Company's cash flow may be dedicated to the payment of the principal of, and interest on, its indebtedness, thereby reducing the amount of funds available for the payment of dividends or distributions to shareholders; and (iii) certain of the Company's borrowings will be at variable rates of interest which exposes the Company to the risk of increased interest rates. The Company's ability to make scheduled payments of the principal of, or interest on, or to refinance, its indebtedness will depend on its future cash flow, which is subject to the financial performance of properties in the Company's portfolio, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond the Company's control.

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 success of the Company is highly dependent on the services of certain key personnel, including in particular Mark Hansen, President and Chief Executive Officer, Robert Waxman, Chief Financial Officer and Brad Williams, Vice-President, Operations. There can be no assurance that the Company will be able to retain its existing key personnel, attract qualified executives or adequately fill new or replace existing senior management positions or vacancies created by expansion, turnover or otherwise. The loss of the services of any one or more of the

Company's key personnel or the inability to retain, attract or fill any such personnel or positions or vacancies could have an adverse effect on the Company and adversely impact the Company's financial condition and results of operations.

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.

Acquisition and Development

The Company's external growth prospects depend in large part on identifying suitable acquisition opportunities, pursuing such opportunities and consummating acquisitions. If the Company is unable to manage its growth and integrate its acquisitions effectively, its business, operating results and financial condition could be adversely affected.

While consistent with the Company's strategy and in the normal course, the Company is engaged in discussions with respect to possible acquisitions of properties, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms and timing of any acquisition would be.

The success of the acquisition activities of the Company will be determined by numerous factors, including the ability of the Company to identify suitable acquisition targets; to obtain adequate financing related to such acquisitions on reasonable terms; the level of competition for acquisition opportunities; the Company's ability to obtain adequate purchase prices and terms; and the ability to effectively integrate and operate the acquired properties and the financial performance of such properties after acquisition.

Acquired properties may not meet financial or operational expectations due to unexpected costs associated with acquiring the property, as well as the general investment risks inherent in any real estate investment or acquisition. Moreover, newly acquired properties may require significant management attention or capital expenditures that would otherwise be allocated to existing properties. Any failure by the Company to identify suitable candidates for acquisition or to operate the acquired properties effectively may have a material adverse effect on the business, results of operations and financial condition of the Company.

Acquisition and development agreements entered into with third parties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on the operations and financial results of the Company. Representations and warranties given by such third parties to the Company may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Moreover, properties acquired by the Company may not meet expectations of operational or financial performance due to unexpected costs associated with developing an acquired property, as well as the general investment risks inherent in any real estate investment.

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.

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.