BUSINESS ACQUISITION REPORT

Item 1 - Identity of Company

1.1 Name and Address of Company

CHC Student Housing Corp. ("CHC")
(formerly CHC Realty Capital Corp.)
53 Yonge Street, 5th Floor
Toronto, Ontario M5E 1J3

1.2 Executive Officer

Mark Hansen
President and Chief Executive Officer
(647) 288-9355

Item 2 - Details of Acquisition

2.1 Nature of Business Acquired

CHC acquired a student housing rental property located at 675 Richmond Street, London, Ontario (the "Property"). The Property is comprised of land and one 17-storey apartment building containing 368 beds in 187 apartments and 12,642 s.f. of commercial space. The building is a traditional apartment building which was built in 1998 and is currently undergoing renovations which are scheduled to be completed in 2015. The Property is located approximately 2.0 km from the University of Western Ontario and is tenanted primarily by students at the University. CHC acquired the Property indirectly through its wholly-owned subsidiary limited partnership, CHC Student Housing Acquisition Limited Partnership.

2.2 Acquisition Date

November 19, 2014.

2.3 Consideration

The purchase price for the Property was $55.0 million (not including customary closing adjustments and transaction costs), which CHC satisfied through:

(i) a first mortgage on the property from GE Canada Real Estate in the amount of $33.0 million bearing interest at the rate of 3 Month Banker's Acceptance Rate plus 2.15% per annum, maturing in three years from closing and payable with respect to interest only;

(ii) an additional first mortgage on the property from GE Canada Real Estate in the amount of $5.5 million bearing interest at the rate of 3 Month Banker's Acceptance Rate plus 4.75% per annum, maturing in one year from closing and payable with respect to interest only;

(iii) a second mortgage on the property from Timbercreek Mortgage Servicing Inc. 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;

(iv) a credit facility from Timbercreek Mortgage Servicing Inc. in an amount up to $2.5 million, of which $1.5 million was drawn upon, 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; and

(v) the payment to the vendor of approximately $6.0 million in satisfaction of the balance of the purchase price (prior to customary closing costs and adjustments) from CHC's cash on hand (including proceeds from a private placement completed by CHC on November 19, 2014 in connection with the acquisition for gross proceeds of $8,261,540).

The credit facility from Timbercreek Mortgage Servicing Inc. was repaid in full in December 2014.

2.4 Effect on Financial Position

The acquisition of the Property formed part of CHC's strategy to acquire high quality student housing rental properties in close proximity to universities and colleges in primary and well-understood secondary markets. The acquisition did not result in any change to CHC's corporate or capital structure, other than the aforementioned mortgage, nor are any changes contemplated as a result of the acquisition. The effects of the acquisition on the financial position of CHC are detailed in the pro forma consolidated statement of financial position attached hereto.

2.5 Prior Valuations

To the knowledge of CHC, and except as described below, there has been no valuation opinion obtained within the last 12 months of the acquisition date of the Property by the previous owners or by CHC required by securities legislation or a Canadian exchange or market to support the consideration paid by CHC for the Property.

In connection with the purchase of the Property, CHC obtained an appraisal report dated September 12, 2014 (the "Appraisal") prepared by Valco Consultants Inc., a qualified and independent appraiser, and reviewed by CHC prior to the purchase of the Property. The Appraisal was prepared using established industry valuation methodologies. The Appraisal indicated that, as of September 4, 2014, the appraised value of the Property was $57,000,000.

2.6 Parties to Transaction

The Property was purchased from Kanco-673 Richmond Ltd. and Kanco-675 Richmond Ltd. (collectively, the "Vendor"), both corporations incorporated under the laws of Ontario, and both of which are arm's length and not related to CHC or any of its informed persons, associates or affiliates.

2.7 Date of Report

February 27, 2015.

Item 3 - Financial Statements and Other Information

CHC has, without success, made every reasonable effort to obtain access to, or copies of, historical accounting records in respect of the Property for the period prior to its acquisition by the Vendor.

CHC has received exemptive relief (the “Relief”) pursuant to Part 13 of National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”), from certain requirements in Item 3 of Form 51-102F4 and Section 8.4(1)(a) of NI 51-102 in respect of the financial information required in this business acquisition report. As a result, CHC is filing the following financial statements and the related notes thereto, which are attached hereto:

(i) Schedule “A” - financial statements of the Property as at September 30, 2014 and December 31, 2013 and 2012 and for the nine months ended September 30, 2014 and 2013 and the year ended December 31, 2013 and the period from July 1, 2012 to December 31, 2012, together with the independent auditor’s report thereon as at and for the nine month period ended September 30, 2014 and as at and for the year ended December 31, 2013;

(ii) Schedule “B” – financial statements of 335 Barrie Street, Kingston, Ontario (the “QT Property”) as at and for the years ended December 31, 2013 and 2012, together with the independent auditor’s report thereon as at and for the year ended December 31, 2013 (which have been included in this Business Acquisition Report due to certain adjustments relating to the QT Property reflected in the unaudited pro forma consolidated statements of income (loss) and comprehensive income (loss) of CHC for the nine-month period ended September 30, 2014 noted below because of the acquisition of the QT Property during such period);

(iii) Schedule “C” - financial statements of 3170 and 3190 Donnelly Street, Windsor, Ontario (the “Windsor Property”) as at and for the years ended July 31, 2014 and 2013, together with the independent auditor’s report thereon as at and for the year ended July 31, 2014 (which have been included in this Business Acquisition Report due to certain adjustments relating to the Windsor Property reflected in the unaudited pro forma consolidated statements of income (loss) and comprehensive income (loss) of CHC for the nine-month period ended September 30, 2014 noted below because of the acquisition of the Windsor Property during such period); and

(iv) Schedule “D” - unaudited pro forma consolidated balance sheet as at September 30, 2014 and statements of income (loss) and comprehensive income (loss) of CHC reflecting the acquisition of the Property, QT Property and Windsor Property for the nine-month period ended September 30, 2014 and for the period from April 12, 2013 (date of incorporation) to December 31, 2013.

SCHEDULE A

FINANCIAL STATEMENTS OF THE PROPERTY

Financial Statements of

675 Richmond Street, London, Ontario

September 30, 2014 and December 31, 2013

Deloitte.

Deloitte LLP
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Shareholders of
CHC Student Housing Corp. (formerly CHC Realty Capital Corp.)

We have audited the accompanying financial statements of 675 Richmond Street, London, Ontario (the "Property"), which comprise the balance sheet as at September 30, 2014 and December 31, 2013, and the statements of income and comprehensive income, statement of changes in net assets attributable to owner and statement of cash flows for the nine-months ended September 30, 2014 and the year ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Property as at September 30, 2014 and December 31, 2013 and its financial performance and its cash flows for the nine-months ended September 30, 2014 and the year ended December 31, 2013 in accordance with International Financial Reporting Standards.

Other Matter

The financial statements of the Property for the nine months ended September 30, 2013 and as at December 31, 2012 and for the period from July 1, 2012 to December 31, 2012 were not audited.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
February 27, 2015

675 Richmond Street, London, Ontario

Balance Sheet

(Canadian $)	Notes	Sep. 30, 2014	Dec. 31, 2013	Dec. 31, 2012 (Unaudited)
Assets				
Non-current assets				
Investment property	5	**55,000,000**	**53,400,000**	45,700,000
Current assets				
Accounts receivable		**54,460**	**11,988**	26,735
Prepaid assets		**74,185**	**229**	17,477
		128,645	**12,217**	44,212
Total assets		**55,128,645**	**53,412,217**	45,744,212
Liabilities				
Non-current liability				
Property debt	6	**-**	**31,703,454**	781,909
Current liability				
Current portion of property debt		**31,720,929**	**-**	62,512
Accounts payable and accrued liabilities		**573,230**	**402,351**	603,844
Security deposits		**319,790**	**263,068**	218,487
Total liabilities		**32,613,949**	**32,368,873**	1,666,752
Net assets attributable to owner		**22,514,696**	**21,043,344**	44,077,460
Total liabilities and net assets		**55,128,645**	**53,412,217**	45,744,212

See accompanying notes to the financial statements.

675 Richmond Street, London, Ontario

Statement of Income and Comprehensive Income

(Canadian $)	Notes	**9 months Sep. 30, 2014**	9 months Sep. 30, 2013 (Unaudited)	**12 months Dec. 31, 2013**	July 1 to Dec. 31, 2012 (Unaudited)
Property revenues	7	**2,323,972**	2,199,902	**3,006,114**	1,561,872
Property expenses	8	**(920,254)**	(979,644)	**(1,178,667)**	(1,077,408)
Net rental income		**1,403,718**	1,220,258	**1,827,447**	484,464
Interest expense	6	**(936,249)**	(184,449)	**(467,517)**	(22,462)
Fair value gains		**631,485**	3,827,792	**5,645,816**	3,057,231
Net income and comprehensive income		**1,098,954**	4,863,601	**7,005,746**	3,519,233

See accompanying notes to the financial statements.

Statement of Changes in Net Assets Attributable to Owner

(Canadian $)	**9 months Sep. 30, 2014**	9 months Sep. 30, 2013 (Unaudited)	**12 months 2013**	July 1 to Dec. 31, 2012 (Unaudited)
Net assets attributable to owner, beginning of year	**21,043,344**	44,077,460	**44,077,460**	-
Net income and comprehensive income	**1,098,954**	4,863,601	**7,005,746**	3,519,233
Contributions (distributions), net	**372,398**	(30,779,221)	**(30,039,862)**	40,558,227
Net assets attributable to owner, end of year	**22,514,696**	18,161,840	**21,043,344**	44,077,460

See accompanying notes to the financial statements.

675 Richmond Street, London, Ontario

Statement of Cash Flows

(Canadian $)	**Sep. 30, 2014**	Sep. 30, 2013 (Unaudited)	**Dec. 31, 2013**	Dec. 31 ,2012 (Unaudited)
Net income	**1,098,954**	4,863,601	**7,005,746**	3,519,233
Adjustments:				
Fair value gains	**(631,485)**	(3,827,792)	**(5,645,816)**	(3,057,231)
Straightline rent adjustment	**(3,695)**	(3,453)	**(8,376)**	(9,137)
Changes in working capital	**128,648**	260,042	**(221,463)**	778,119
Cash flows provided by operating activities	**592,422**	1,292,398	**1,130,091**	1,230,984
Investing activities				
Capital expenditures	**(964,820)**	(1,468,756)	**(2,045,809)**	(1,233,632)
Cash flows used in investing activities	**(964,820)**	(1,468,756)	**(2,045,809)**	(1,233,632)
Financing activities				
Property debt repayments	**-**	(844,421)	**(844,421)**	(30,338)
Property debt obtained	**-**	31,800,000	**31,800,000**	874,759
Contributions (distributions), net	**372,398**	(30,779,221)	**(30,039,861)**	(841,773)
Cash flows used in financing activities	**372,398**	176,358	**915,718**	2,648
Increase (decrease) increase in cash	**-**	-	**-**	-
Cash, beginning of year	**-**	-	**-**	-
Cash, end of year	**-**	-	**-**	-

See accompanying notes to the financial statements.

NOTE 1: GENERAL

These financial statements represent the assets, liabilities, revenues and expenses of the 675 Richmond Street, London, Ontario (the "Property") and do not include all the assets, liabilities, revenues or expenses of Kanco- 673 Richmond Ltd. and Kanco-675 Richmond Ltd. (collectively, the "Owner"). The Property is owned 100% by the Owner.

The principal business of the Property is to earn rental income from its residential and commercial tenants.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Property are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of presentation

The financial statements are prepared on a going concern basis and have been presented in Canadian dollars, the functional currency of the Property. The accounting policies set out below have been applied consistently in all material respects.

The principal accounting policies are set out below.

(c) Investment property

Investment property includes property held to earn rental income or for capital appreciation or both. Investment property is carried at fair value, determined based on available market evidence, at the balance sheet date. Related fair value gains and losses are recorded in net income in the year in which they arise.

(d) Revenue recognition

The Owner has retained substantially all of the risks and benefits of ownership of the Property and therefore accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease; a straight-line rent receivable, which is included in the carrying amount of investment property, is recorded for the difference between the rental revenue recorded and the contractual amount to be received.

Additional rent includes recoveries of operating expenses, including property taxes, for commercial tenants only. Additional rent is recognized in the period that recoverable costs are chargeable to tenants.

(e) Financial instruments

The following summarizes the Property's classification and measurement of financial instruments:

Financial assets and liabilities	Classification	Measurement
Accounts receivable	Loans and receivables	Amortized cost
Property debt	Other liabilities	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Security deposits	Other liabilities	Amortized cost

(f) Critical accounting estimates and assumptions

The Property makes estimates and assumptions that affect the carrying amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of earnings for the period. Actual results could differ from estimates. The critical estimates and assumptions underlying the valuation of investment property are set out in Note 4.

(g) Cash

The Property does not have a separate bank account. Any cash receipts or disbursements are deposited to or made from a bank account of the Owner on behalf of the Property and are recorded as contributions or distributions, respectively, in net assets attributable to Owner.

(h) Income taxes
The Property is not subject to Federal or Provincial income taxes; accordingly, the Property makes no provision for income taxes in its financial statements. Taxable income or loss is reportable by the Owner.

(i) Fair Value Measurement
The Property adopted IFRS 13, "Fair Value Measurement" effective January 1, 2013. IFRS 13 establishes a single source for fair value measurements and disclosures about fair value measurements. IFRS 13 defines fair value, establishes a framework for measuring fair value, and required disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRS's require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The Property has assessed its fair value measurement framework and concluded that no change to the current treatment was required.

NOTE 3: APPLICATION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS

Impact of the application of IFRIC 21 *Levies*
The Property has applied IFRIC 21, "Levies" for the first time in the current year. IFRRIC 21 addresses the issue as to when to recognize a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no impact on the disclosures or on the amounts recognized in the Property's financial statements.

NOTE 4: FUTURE ACCOUNTING CHANGES

Financial Instruments
The final version of IFRS 9, "Financial Instruments" ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018; however, it is available for early adoption. Management will continue to evaluate the impact of this standard.

NOTE 5: INVESTMENT PROPERTY

	9 months ended Sep. 30, 2014	9 months ended Sep. 30, 2013 (Unaudited)	**Year ended Dec. 31, 2013**	July 1 to Dec. 31, 2012 (Unaudited)
Balance at beginning of period	**$ 53,400,000**	$ 45,700,000	**$ 45,700,000**	$ 41,400,000
Capital expenditures	**968,515**	1,472,208	**2,054,184**	1,242,769
Fair value gains	**631,485**	3,827,792	**5,645,816**	3,057,231
Balance at end of period	**$ 55,000,000**	$ 51,000,000	**$ 53,400,000**	$ 45,700,000

The fair value of the Property is determined based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the applicable balance sheet dates, less future cash outflow in respect of such leases. Fair values were determined by applying an overall capitalization rate to the Property's stabilized rental revenue less property operating expenses. The fair value of the Property was based on Level 3 inputs. The fair value of the Property was based on valuations prepared by independent appraisers having the relevant professional qualifications and experience in the market in which the Property is located.

NOTE 6: PROPERTY DEBT

At September 30, 2014, the balance of the property debt was $31,720,929 (December 31, 2013 - $31,703,454; December 31, 2012 - $844,421 (unaudited)). The property debt is secured by the Property, bears floating interest at 3.35% and matures on July 15, 2015.

For the 9-months ended September 30, 2014, interest expense of $936,249 (9-months ended September 30, 2013 - $184,449 (unaudited); 12-months ended December 31, 2013 - $467,517; and for the period July 1 to December 31, 2012 - $22,462 (unaudited)) was recorded on the property debt.

As at September 30, 2014, the fair value of property debt was $31,337,952. The fair value of property debt at December 31, 2013 and 2012 approximates its carrying value. The fair value of property debt is based on Level 2 inputs and determined by discounting contractual principal and interest payments at estimated current market interest rates for the instrument. Current market interest rates are determined with reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk.

The Property is exposed to interest rate risk arising from increases in interest rates as the Property has long-term borrowings at floating rates. A 50 basis point change in the interest rate on the property debt would cause a $159,000 change in annual interest expense.

In addition to the property debt presented in these financial statements, certain corporate borrowings of the Owner are cross-collateralized by a pool of assets including the Property.

NOTE 7: PROPERTY REVENUES

The following are the components of property revenues:

	9 months Sep. 30, 2014	9 months Sep. 30, 2013 (Unaudited)	**12 months Dec. 31, 2013**	July 1 to Dec. 31, 2012 (Unaudited)
Residential rent	**$ 2,128,017**	$ 1,997,937	**$ 2,733,002**	$ 1,422,453
Commercial rent	**172,356**	165,475	**222,962**	119,979
Other income	**23,599**	36,490	**50,150**	19,440
	$ 2,323,972	$ 2,199,902	**$ 3,006,114**	$ 1,561,872

NOTE 8: PROPERTY EXPENSES

The following are the components of property expenses:

	9 months Sep. 30, 2014	9 months Sep. 30, 2013 (Unaudited)	**12 months Dec. 31, 2013**	July 1 to Dec. 31, 2012 (Unaudited)
Repairs and maintenance	**$ 145,099**	$ 244,807	**$ 145,910**	$ 450,681
Utilities	**164,820**	165,778	**241,584**	125,918
Management services	**119,880**	114,652	**175,936**	207,663
Payroll	**121,622**	104,345	**148,367**	73,895
Insurance	**15,798**	13,537	**18,233**	8,834
Property tax	**353,035**	336,525	**448,637**	210,417
	$ 920,254	$ 979,644	**$ 1,178,667**	$ 1,077,408

NOTE 9: SUBSEQUENT EVENT

The Owner entered into an Agreement of Purchase and Sale on October 6, 2014 with an arm's length party to sell the Property at a price of $55,000,000, subject to customary adjustments. The transaction closed on November 19, 2014.

NOTE 10: AUTHORIZATION AND APPROVAL

The financial statements have been approved and authorized for issue by Management on February 27, 2015.

SCHEDULE B

FINANCIAL STATEMENTS OF THE QT PROPERTY

Financial Statements of

335 Barrie Street, Kingston, Ontario

December 31, 2013

Deloitte.

Deloitte LLP
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Shareholders of CHC Realty Capital Corp.

We have audited the accompanying financial statements of 335 Barrie Street, Kingston, Ontario (the "Property"), which comprise the balance sheet as at December 31, 2013, and the statement of income and comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Property as at December 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
March 21, 2014

335 Barrie Street, Kingston Ontario

Balance Sheet

December 31 (CDN$)	Notes	**2013**	2012 (Unaudited)
Assets			
Non-current assets			
Investment property	4	**2,500,000**	2,270,000
Current assets			
Accounts receivable		**12,280**	20,700
Prepaid assets		**1,653**	1,572
		13,933	22,272
Total assets		**2,513,933**	2,292,272
Liabilities			
Non-current liability			
Property debt	5	**-**	1,272,529
Current liability			
Property debt		**1,272,526**	36,640
Total liabilities		**1,272,526**	**1,309,169**
Net assets		**1,241,407**	983,103
Total liabilities and net assets		**2,513,933**	2,292,272

See accompanying notes to the financial statements.

335 Barrie Street, Kingston Ontario

Statement of Income and Comprehensive Income

Year ended December 31 (CDN$)	Notes		**2013**		2012 (Unaudited)		2011 (Unaudited)
Property revenues	7	**$**	**231,468**	$	217,792	$	209,992
Property expenses	8		**81,801**		75,592		74,056
			149,667		142,200		135,936
Interest expense	5		**59,147**		60,783		62,348
Fair value gains	6		**230,000**		240,000		121,490
Net income and comprehensive income		**$**	**320,520**	$	321,417	$	195,078

See accompanying notes to the financial statements.

Statement of Changes in Net Assets

Year ended December 31 (CDN$)	**2013**	2012 (Unaudited)	2011 (Unaudited)
Net assets, beginning of year	**983,103**	687,492	513,883
Net income and comprehensive income	**320,520**	321,417	195,078
Distributions	**(62,216)**	(25,806)	(21,469)
Net assets, end of year	**1,241,407**	983,103	687,492

See accompanying notes to the financial statements.

335 Barrie Street, Kingston Ontario

Statement of Cash Flows

Year ended December 31 (CDN$)	**2013**	2012 (Unaudited)	2011 (Unaudited)
Operating activities			
Net income	**320,520**	321,417	195,078
Adjustments:			
Fair value gains	**(230,000)**	(240,000)	(121,490)
Working capital	**8,339**	(20,607)	(166)
Cash flows provided by operating activities	**98,859**	60,810	73,422
Investing activities			
Capital expenditures	**-**	-	(18,510)
Cash flows used in investing activities	**-**	-	(18,510)
Financing activities			
Property debt repayments	**(36,643)**	(35,004)	(33,443)
Distributions	**(62,216)**	(25,806)	(21,469)
Cash flows used in financing activities	**(98,859)**	(60,810)	(54,912)
Increase (decrease) increase in cash	**-**	-	-
Cash, beginning of year	**-**	-	-
Cash, end of year	**-**	-	-

See accompanying notes to the financial statements.

335 Barrie Street, Kingston Ontario
Notes to the Financial Statements
December 31, 2013

NOTE 1: GENERAL

These financial statements represent the assets, liabilities, revenues and expenses of the 335 Barrie Street, Kingston, Ontario (the "Property") and do not include all the assets, liabilities, revenues or expenses of Q4 Realty Inc. (the "Owner"). The Property is owned 100% by the Owner.

The principal business of the Property is to earn rental income from its residential and commercial tenants.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Property are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of presentation

The financial statements are prepared on a going concern basis and have been presented in Canadian dollars. The accounting policies set out below have been applied consistently in all material respects.

The principal accounting policies are set out below.

(c) Investment property

Investment property includes property held to earn rental income or for capital appreciation or both. Investment property is carried at fair value, determined based on available market evidence, at the balance sheet date. Related fair value gains and losses are recorded in net income in the year in which they arise.

Initial direct leasing costs incurred in negotiating and arranging tenant leases are added to the carrying amount of the Property.

(d) Revenue recognition

The Property has retained substantially all of the risks and benefits of ownership of its investment property and therefore accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease; a straight-line rent receivable, which is included in the carrying amount of investment property, is recorded for the difference between the rental revenue recorded and the contractual amount received.

Additional rent includes recoveries of operating expenses, including property taxes, for commercial tenants only. Additional rent is recognized in the period that recoverable costs are chargeable to tenants.

(e) Financial instruments

The following summarizes the Property's classification and measurement of financial instruments:

Financial assets and liabilities	Classification	Measurement
Accounts receivable	Loans and receivables	Amortized cost
Property debt	Other liabilities	Amortized cost

(f) Critical accounting estimates and assumptions

The Property makes estimates and assumptions that affect the carrying amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of earnings for the period. Actual results could differ from estimates. The critical estimates and assumptions underlying the valuation of investment property are set out in Note 4.

(g) Cash

The Property does not have a separate bank account. Any cash receipts or disbursements are deposited to or made from a bank account of the Owner on behalf of the Property and are recorded as contributions or distributions, respectively, in net assets.

(h) Income taxes

The Property is not subject to Federal or Provincial income taxes; accordingly, the Property makes no provision for income taxes in its financial statements. Taxable income or loss is reportable by the Owner.

(i) Fair Value Measurement

The Property adopted IFRS 13, "Fair Value Measurement" effective January 1, 2013. IFRS 13 establishes a single source for fair value measurements and disclosures about fair value measurements. IFRS 13 defines fair value, establishes a framework for measuring fair value, and required disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRS's require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The Property has assessed its fair value measurement framework and concluded that no change to the current treatment was required.

NOTE 3: FUTURE ACCOUNTING CHANGES

Financial Instruments

This standard, which replaces IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"), addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. While determination is made at initial recognition, classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The date of application has not been determined.

Levies

IFRIC 21, "Levies" clarifies that a liability for a levy is recognized when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

Management will continue to evaluate the impact of these standards.

NOTE 4: INVESTMENT PROPERTY

		Dec. 31, 2013		Dec. 31, 2012 (Unaudited)
Balance at beginning of year	**$**	**2,270,000**	$	2,030,000
Fair value gains		**230,000**		240,000
Balance at end of year	**$**	**2,500,000**	$	2,270,000

The fair value of the Property is determined based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the applicable balance sheet dates, less future cash outflow in respect of such leases. Fair values were determined by applying an overall capitalization rate to the Property's net operating income. The fair value of the Property was determined by Management.

NOTE 5: PROPERTY DEBT

At December 31, 2013, the balance of the property debt was $ 1,272,526 (December 31, 2012 - $1,309,169(unaudited)). The debt is secured by the Property, bears interest at 4.62% and matures on June 1, 2014.

For the year ended December 31, 2013, interest expense of $59,147 (December 31, 2012 - $60,783; December 31, 2011 - $62,438 (unaudited)) was recorded on the property debt.

The fair value of property debt is determined by discounting contractual principal and interest payments at estimated current market interest rates for the instrument. Current market interest rates are determined with reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. As of December 31, 2013, the fair value of property debt is $1,275,000 (December 31, 2012 - $1,290,000 (unaudited)).

The Property is exposed to interest rate risk on refinancing of the property debt. It manages this risk by using long-term borrowings at fixed rates. A 50 basis point change in the interest rate on the property debt as of the date of refinancing the property debt would cause a $6,400 change in interest expense.

NOTE 6: FAIR VALUE GAINS

The Property recognized fair value gains of $230,000 (December 31, 2012 - $240,000 (unaudited); December 31, 2011 - $121, 490(unaudited)). Fair value gains and losses are the result of movements in projected net operating income and capitalization rates.

NOTE 7: PROPERTY REVENUES

The following property revenues were earned during the year:

		Dec. 31, 2013		Dec. 31, 2012 (Unaudited)		Dec. 31, 2011 (Unaudited)
Residential rent	$	191,534	$	180,659	$	174,977
Commercial rent		13,140		13,140		13,140
Additional rent		21,314		19,390		17,645
Parking		5,480		4,603		4,230
	$	231,468	$	217,792	$	209,992

NOTE 8: PROPERTY EXPENSES

The following property expenses were incurred during the year.

		Dec. 31, 2013		Dec. 31, 2012 (Unaudited)		Dec. 31, 2011 (Unaudited)
Repairs and maintenance	$	6,797	$	6,290	$	6,437
Utilities		3,290		2,723		3,073
Management services		16,165		15,508		15,157
Payroll		16,869		15,376		14,392
Insurance		4,878		4,810		4,830
Property tax		33,802		30,884		30,167
	$	81,801	$	75,592	$	74,056

335 Barrie Street, Kingston Ontario
Notes to the Financial Statements
December 31, 2013

NOTE 9: RELATED PARTY TRANSACTIONS

The following related party amounts were earned or incurred during the periods.

	Dec. 31, 2013	Dec. 31, 2012 (Unaudited)	Dec. 31, 2011 (Unaudited)
Commercial rent	$ 5,930	$ 5,930	$ 5,930
Additional rent	11,033	9,984	9,036
Management services	16,165	15,508	15,157
Payroll	16,869	15,376	14,392

All related party amounts were earned from or incurred to an affiliate of the Owner.

Accounts receivable in the amounts of $12,280 (December 31, 2012; $20,700 (unaudited) were owing from an affiliate of the owner for commercial and additional rents.

NOTE 10: SUBSEQUENT EVENT

The Owner entered into an Agreement of Purchase and Sale on January 9, 2014 with an arm's length party to sell the Property at a price of $2,500,000, subject to customary adjustments. The transaction is expected to close in 2014.

NOTE 11: AUTHORIZATION AND APPROVAL

The Financial Statements along with the notes have been approved and authorized for issue by Management on March 21, 2014.

SCHEDULE C

FINANCIAL STATEMENTS OF THE WINDSOR PROPERTY

Financial Statements of

3170 and 3190 Donnelly Street, Windsor, Ontario

July 31, 2014

Deloitte.

Deloitte LLP
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
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Independent Auditor's Report

To the Shareholders of CHC Realty Capital Corp.

We have audited the accompanying financial statements of 3170 & 3190 Donnelly Street, Windsor, Ontario (the "Property"), which comprise the balance sheet as at July 31, 2014, and the statement of income and comprehensive income, statement of changes in net assets attributable to owner and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Property as at July 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
January 28, 2015

3170 & 3190 Donnelly Street, Windsor, Ontario

Balance Sheet

July 31 (Canadian $)	Notes	**2014**	2013 (Unaudited)
Assets			
Non-current assets			
Investment property	4	**5,900,000**	5,300,000
Other		**21,000**	21,000
Total assets		**5,921,000**	5,321,000
Liabilities			
Non-current liability			
Property debt	5	**1,654,065**	1,764,534
Current liabilities			
Current portion of property debt		**787,513**	783,586
Accounts payable and accrued liabilities		**27,319**	10,227
Security deposits		**52,193**	43,200
Total liabilities		**2,521,090**	2,601,547
Net assets attributable to owner		**3,399,910**	2,719,453
Total liabilities and net assets		**5,921,000**	5,321,000

See accompanying notes to the financial statements.

3170 & 3190 Donnelly Street, Windsor, Ontario

Statement of Income and Comprehensive Income

Year ended July 31 (Canadian $)	Notes	**2014**	2013 (Unaudited)
Rental revenues		**626,313**	587,351
Property operating expenses	6	**(482,334)**	(389,354)
Net rental income		**143,979**	197,997
Interest expense	5	**(68,389)**	(72,915)
Fair value gain on investment property		**579,680**	481,086
Net income and comprehensive income		**655,270**	606,168

See accompanying notes to the financial statements.

Statement of Changes in Net Assets Attributable to Owner

Year ended July 31 (Canadian $)	**2014**	2013 (Unaudited)
Net assets attributable to Owner, beginning of year	**2,719,453**	2,116,874
Net income and comprehensive income	**655,270**	606,168
Contributions (distributions), net	**25,187**	(3,589)
Net assets attributable to Owner, end of year	**3,399,910**	2,719,453

See accompanying notes to the financial statements.

3170 & 3190 Donnelly Street, Windsor, Ontario

Statement of Cash Flows

Year ended July 31 (Canadian $)	**2014**	2013 (Unaudited)
Operating activities		
Net income	**655,270**	606,168
Adjustments:		
Fair value gain on investment property	**(579,680)**	(481,086)
Working capital	**26,085**	36
Cash flows provided by operating activities	**101,675**	125,118
Investing activities		
Capital expenditures	**(20,320)**	(18,914)
Cash flows used in investing activities	**(20,320)**	(18,914)
Financing activities		
Property debt repayments	**(106,542)**	(102,615)
Contributions (distributions)	**25,187**	(3,589)
Cash flows used in financing activities	**(81,355)**	(106,204)
Increase (decrease) in cash	**-**	-
Cash, beginning of year	**-**	-
Cash, end of year	**-**	-

See accompanying notes to the financial statements.

NOTE 1: GENERAL

These financial statements represent the assets, liabilities, revenues and expenses of the 3170 & 3190 Donnelly Street, Windsor, Ontario (the "Property") and do not include all the assets, liabilities, revenues or expenses of 2252982 Ontario Ltd. (the "Owner"). The Property is owned 100% by the Owner.

The principal business of the Property is to earn rental income from its residential tenants.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Property are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of presentation

The financial statements are prepared on a going concern basis and have been presented in Canadian dollars, the functional currency of the Property. The accounting policies set out below have been applied consistently in all material respects.

(c) Investment property

Investment property includes property held to earn rental income or for capital appreciation or both. Investment property is carried at fair value, determined based on available market evidence, at the balance sheet date. Related fair value gains and losses are recorded in net income in the year in which they arise.

(d) Revenue recognition

The Owner has retained substantially all of the risks and benefits of ownership of the Property and therefore accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease.

(e) Financial instruments

The following summarizes the Property's classification and measurement of financial instruments:

Financial assets and liabilities	Classification	Measurement
Accounts payable	Other liabilities	Amortized cost
Property debt	Other liabilities	Amortized cost

(f) Critical accounting estimates and assumptions

The Property makes estimates and assumptions that affect the carrying amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of earnings for the period. Actual results could differ from estimates. The critical estimates and assumptions underlying the valuation of investment property are set out in Note 4.

(g) Cash

The Property does not have a separate bank account. Any cash receipts or disbursements are deposited to or made from a bank account of the Owner on behalf of the Property and are recorded as contributions or distributions, respectively, in net assets attributable to the Owner.

(h) Income taxes

The Property is not subject to Federal or Provincial income taxes; accordingly, the Property makes no provision for income taxes in its financial statements. Taxable income or loss is reportable by the Owner.

(i) Fair Value Measurement

The Property adopted IFRS 13, "Fair Value Measurement" effective January 1, 2013. IFRS 13 establishes a single source for fair value measurements and disclosures about fair value measurements. IFRS 13 defines fair value, establishes a framework for measuring fair value, and required disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRS's require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The

Property has assessed its fair value measurement framework and concluded that no change to the current treatment was required.

NOTE 3: FUTURE ACCOUNTING CHANGES

Financial Instruments
The final version of IFRS 9, "Financial Instruments" ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018; however, it is available for early adoption.

Management will continue to evaluate the impact of this standard.

NOTE 4: INVESTMENT PROPERTY

		31-Jul-14		31-Jul-13 (Unaudited)
Balance, beginning of year	**$**	**5,300,000**	$	4,800,000
Capital expenditures		**20,320**		18,914
Fair value gain on investment property		**579,680**		481,086
Balance, end of year	**$**	**5,900,000**	$	5,300,000

The fair value of the Property is determined based upon, among other things, assumptions about rental income from future leases reflecting market conditions at the applicable balance sheet dates, less future cash outflow in respect of property operating expenses. Fair values were determined by applying an overall capitalization rate to an estimate of the Property's stabilized rental revenue less property operating expenses. The fair value of the Property was based on Level 3 inputs. The fair value of the Property was based on a valuation by an independent appraiser having the relevant professional qualifications and experience in the market in which the Property is located.

NOTE 5: PROPERTY DEBT

At July 31, 2014, the balance of property debt was $2,441,578 (July 31, 2013 - $2,548,120 (unaudited)). The debt consisted of a first mortgage loan of $1,760,607 secured by the Property, bearing interest at 3.790% and maturing on September 1, 2015 and a non-interest bearing loan of $680,971 secured by the Property and due on demand.

For the year ended July 31, 2014, interest expense of $68,389 (July 31, 2013 - $72,915 (unaudited)) was recorded on the property debt.

The fair value of property debt is based on Level 2 inputs and determined by discounting contractual principal and interest payments at estimated current market interest rates for the instrument. Current market interest rates are determined with reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. As of July 31, 2014, the fair value of property debt approximates its carrying value.

The Property is exposed to interest rate risk on refinancing of the property debt. It manages this risk by using long-term borrowings at fixed rates. A 50 basis point change in the interest rate on the property debt as of the date of refinancing the property debt would cause an $8,800 change in interest expense.

NOTE 6: PROPERTY EXPENSES

The following property expenses were incurred during the year.

3170 & 3190 Donnelly Street, Windsor, Ontario
Notes to the Financial Statements
July 31, 2014

		31-Jul-14		31-Jul-13 (Unaudited)
Repairs and maintenance	**$**	**45,109**	$	15,413
Utilities		**160,344**		119,743
Payroll		**84,674**		68,139
Insurance		**10,090**		8,247
Property tax		**151,375**		146,233
General and administrative		**13,959**		14,051
Cleaning		**7,231**		8,141
Security		**7,098**		6,567
Marketing		**2,454**		2,820
	$	**482,334**	$	389,354

NOTE 7: SUBSEQUENT EVENT

On September 11, 2014, the Property was sold to CHC Realty Capital Corp. for total consideration of $5.9 million. All property debt was discharged on closing.

NOTE 8: AUTHORIZATION AND APPROVAL

The financial statements along with the notes have been approved and authorized for issue by Management on January 26, 2015.

SCHEDULE D

PRO FORMA CONSOLIDATED BALANCE SHEET AND STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) OF CHC

CHC STUDENT HOUSING CORP.
Pro Forma Consolidated Balance Sheet
As at September 30, 2014
(Unaudited)

	CHC Realty Capital Corp.	675 Richmond Street London, Ontario	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	$	$		$	$
Assets					
Non-Current					
Investment properties	8,500,000	55,000,000			63,500,000
Furniture and equipment	10,546	-			10,546
	8,510,546	55,000,000		-	63,510,546
Current					
			5(c)	8,261,540	
Cash and cash equivalents	6,450,047	-	5(c)	(5,985,625)	8,725,962
Deposits and prepaid expenses	1,717,236	74,185		-	1,791,421
Accounts receivable	161,325	54,460		-	215,785
Total Assets	16,839,154	55,128,645		2,275,915	74,243,714
Liabilities					
Non-Current					
			5(c)	48,250,000	
Mortgages payable	5,361,174	31,720,929	5(c)	(31,720,929)	53,611,174
	5,361,174	31,720,929		16,529,071	53,611,174
Current					
Accounts payable and accrued liabilities	99,709	573,230	5(d,e)	1,844,612	2,517,551
Current taxes payable			5(f)	1,727,537	1,727,537
Tenant rental deposits	-	319,790			319,790
	5,460,883	32,613,949		20,101,220	58,176,052
Shareholder's Equity					
Share capital	11,977,090	-	5(c)	8,261,540	20,238,630
Contributed surplus	362,000	-			362,000
Deficit	(960,819)	-	5(d,e,f)	(3,572,149)	(4,532,968)
Net assets attributable to owner	-	22,514,696		(22,514,696)	-
	11,378,271	22,514,696		(17,825,305)	16,067,662
Total Liabilities and Shareholder's Equity	16,839,154	55,128,645		2,275,915	74,243,714

CHC STUDENT HOUSING CORP.
Pro Forma Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)
For the nine months ended September 30, 2014
(Unaudited)

	CHC Realty Capital Corp.	**335 Barrie Street Kingston, Ontario**	**3170-3190 Donnelly Street Windsor, Ontario**	**675 Richmond Street London, Ontario**	**Note Ref.**	**Pro Forma Adjustments**	**Pro Forma Consolidated**
		Note 2	Note 3				
	$	**$**	**$**	**$**		**$**	**$**
Revenue							
Rent	150,714	75,434	494,615	2,300,373		-	3,021,136
Recoveries and other income	12,908	-	-	23,599		-	36,507
Interest income	13,082	-	-	-		-	13,082
	176,704	75,434	494,615	2,323,972		-	3,070,725
							-
Expenses							-
Property operating expenses	81,692	38,691	349,033	920,254	5(d)	13,975	1,403,645
General and administrative expenses	367,549	-		-		-	367,549
Acquisition transaction costs	324,384	-	-	-		-	324,384
Interest on mortgages payable	39,736	14,500	46,345	936,249	5(e)	965,105	2,001,935
	813,361	53,191	395,378	1,856,503		979,080	4,097,513
							-
Fair value gains	-	-	579,680	631,485		-	1,211,165
							-
Income tax expense (recovery)	-	-	-	-	5(f)	48,860	48,860
							-
Net Income (Loss) and Comprehensive Income (Loss)	(636,657)	22,243	678,917	1,098,954		(1,027,940)	135,517

CHC STUDENT HOUSING CORP.
Pro Forma Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)
For the period from April 12, 2013 (date of incorporation) to December 31, 2013
(Unaudited)

	CHC Realty Capital Corp.	**335 Barrie Street Kingston, Ontario**	**3170-3190 Donnelly Street Windsor, Ontario**	**675 Richmond Street London, Ontario**	**Note Ref.**	**Pro Forma Adjustments**	**Pro Forma Consolidated**
		Note 2	Note 3	Note 4			
	$	**$**	**$**	**$**		**$**	**$**
Revenue							
Rent	-	154,700	451,272	2,063,318		-	2,669,290
Recoveries and other income	-	-	-	35,279		-	35,279
Interest income	-	-	-	-		-	-
	-	154,700	451,272	2,098,597		-	2,704,569
							-
Expenses							-
Property operating expenses	-	50,869	299,943	908,642	5(d)	11,962	1,271,416
Interest on mortgages payable	-	42,386	50,725	456,230	5(e)	853,570	1,402,911
Compensation expense	309,000	-	-	-		-	309,000
General and administrative expenses	10,162	-	-	-		-	10,162
Organization costs	5,000	-	-	-		-	5,000
	324,162	93,255	350,668	1,364,872		865,532	2,998,489
							-
Fair value gains	-	230,000	481,086	5,917,463		-	6,628,549
							-
Income tax expense (recovery)	-	-	-	-	5(f)	1,678,677	1,678,677
							-
Net Income (Loss) and Comprehensive Income (Loss)	(324,162)	291,445	581,690	6,651,188		(2,544,209)	4,655,952

CHC STUDENT HOUSING CORP.
Notes to Pro Forma Consolidated Balance sheet and Statements of Income (Loss) and Comprehensive Income (Loss)
As at September 30, 2014 and for the periods from April 12, 2013 (date of incorporation) to December 31, 2013 and the nine months ended September 30, 2014
(Unaudited)

1. Basis of Presentation

The accompanying unaudited pro forma consolidated balance sheet and consolidated statements of income (loss) and comprehensive income (loss) of CHC Student Housing Corp. ("CHC") have been prepared by management and give effect to the significant acquisitions described in notes 2, 3 and 4 (the "Acquisitions") as if they occurred on September 30, 2014 for purposes of the pro forma consolidated balance sheet and on April 12, 2013 (date of incorporation) for purposes of the pro forma consolidated statements of income (loss) and comprehensive income (loss).

The unaudited pro forma consolidated balance sheet and consolidated statements of income (loss) and comprehensive income (loss) have been prepared using information derived from and should be read in conjunction with the following:

1. the unaudited interim consolidated financial statements of CHC as at and for the nine months ended September 30, 2014;

2. the audited consolidated financial statements of CHC as at and for the period from April 12, 2013 (incorporation) to December 31, 2013;

3. the audited financial statements of the student housing and commercial property located at 335 Barrie Street in Kingston, Ontario (the "QT Property") as at and for the year ended December 31, 2013;

4. the audited financial statements of the student housing property located at 3170 and 3190 Donnelly Street in Windsor, Ontario (the "Windsor Property") as at and for the year ended July 31, 2014; and

5. the audited financial statements of the student housing property located at 675 Richmond Street, London, Ontario (the "Property") as at and for the nine months ended September 30, 2014 and as at and for the year ended December 31, 2013.

The unaudited pro forma consolidated financial statements have been prepared using accounting policies that are in accordance with International Financial Reporting Standards ("IFRS") and, in the opinion of management, include all adjustments necessary for fair presentation.

The unaudited pro forma consolidated financial statements have been prepared for illustration purposes only and may not be indicative of the results of CHC had the Acquisitions occurred on September 30, 2014 for purposes of the pro forma consolidated balance sheet and April 12, 2013 (date of incorporation) for purposes of the pro forma consolidated statements of income (loss) and comprehensive income (loss).

2. 335 Barrie Street, Kingston, Ontario

The QT Property was acquired April 3, 2014. The financial information presented in the pro forma consolidated statements of income (loss) and comprehensive income (loss) for the nine month period ended September 30, 2014 represents the operations of the QT Property from January 1, 2014 to April 2, 2014 (the period before acquisition) so as to reflect a full nine months of operations on a total basis.

The financial information presented in the pro forma consolidated statements of income (loss) and comprehensive income (loss) for the period from April 12, 2013 (date of incorporation) to December 31, 2013 have been derived from the audited financial statements of the QT Property as follows:

	Year ended Dec. 31, 2013	*Less: Period from Jan. 1, 2013 to April 11, 2013*	Period from April 12, 2013 to Dec. 31, 2013
Rent	231,468	76,768	154,700
Property operating expenses	81,801	30,932	50,869
Interest on mortgages payable	59,147	16,761	42,386
Fair value gains	230,000	-	230,000

3. 3170-3190 Donnelly Street, Windsor, Ontario

The financial information presented in the pro forma consolidated statements of income (loss) and comprehensive income (loss) for the nine month period ended September 30, 2014 have been derived from the audited financial statements of the Property as follows to capture the operations prior to the acquisition date of September 11, 2014:

	Year ended July 31, 2014	*Less: Period from Aug. 1, 2013 to Dec. 31, 2013*	*Add: Period from Aug. 1, 2014 to Sep. 10, 2014*	Period from Jan. 1, 2014 to Sep. 10, 2014
Rent	626,313	253,722	122,024	494,615
Property operating expenses	482,334	165,778	32,477	349,033
Interest on mortgages payable	68,389	29,304	7,260	46,345
Fair value gains	579,680	-	-	579,680

The financial information presented in the pro forma consolidated statements of income (loss) and comprehensive income (loss) for the period from April 12, 2013 (date of incorporation) to December 31, 2013 have been derived from the audited financial statements of the Property as follows:

	Year ended July 31, 2014	*Less: Period from Jan. 1, 2014 to July 31,2014*	*Add: Period from April 12, 2013 to July 31, 2013*	Period from April 12, 2013 to Dec. 31, 2013
Rent	626,313	372,591	197,550	451,272
Property operating expenses	482,334	316,566	134,175	299,943
Interest on mortgages payable	68,389	39,262	21,598	50,725
Fair value gains	579,680	579,680	481,086	481,086

4. 675 Richmond Street, London, Ontario

The financial information presented in the pro forma consolidated statements of income (loss) and comprehensive income (loss) for the period from April 12, 2013 (date of incorporation) to December 31, 2013 have been derived from the audited financial statements of the Property as follows:

	Year ended Dec. 31, 2013	*Less: Period from Jan. 1, 2013 to April 11, 2013*	Period from April 12, 2013 to Dec. 31, 2013
Rent	2,955,964	892,646	2,063,318
Recoveries and Other Income	50,150	14,871	35,279
Property operating expenses	1,178,667	270,025	908,642
Interest on mortgages payable	467,517	11,287	456,230
Fair value gains (losses)	5,645,816	(271,647)	5,917,463

5. Pro Forma Assumptions and Adjustments

The unaudited pro forma consolidated financial statements give effect to the following transactions:

(a) CHC acquired the QT Property from Q4 Realty Inc. (the "Vendor") on April 3, 2014 pursuant to the terms of a purchase and sale agreement dated January 9, 2014 between CHC and the Vendor. The purchase of the QT Property served as CHC's Qualifying Transaction pursuant to Policy 2.4 of the TSX Venture Exchange. Pursuant to the acquisition of the QT Property, CHC acquired the QT Property for an aggregate purchase price of $2,500,000. The purchase price was satisfied by way of the assumption of an existing mortgage secured by the QT Property in the amount of $1,260,253 and the payment of the balance of the purchase price in the amount of $1,239,747 in cash from CHC's existing funds.

(b) CHC acquired the Windsor Property from 2252982 Ontario Limited (the "Windsor Vendor") on September 11, 2014 pursuant to the terms of a purchase and sale agreement dated May 28, 2014 between CHC and the Windsor Vendor. Pursuant to the acquisition of the Property, CHC acquired the Property for an aggregate purchase price of $5,900,000. The purchase price was satisfied by way of proceeds from entering into a new $4,000,000 mortgage and the payment of the balance of the purchase price in the amount of $1,900,000 in cash from CHC's existing funds.

(c) CHC acquired the Property from Kanco-673 Richmond Ltd. and Kanco-675 Richmond Ltd. (the "London Vendor") on November 19, 2014 pursuant to the terms of a purchase and sale agreement dated August 7, 2014 and amended by a waiver and amending agreement dated October 3, 2014 between CHC and the London Vendor. Pursuant to the acquisition of the Property, CHC acquired the Property for an aggregate purchase price of $55,000,000. The purchase price was satisfied by way of proceeds from entering into three new separate mortgages and a credit facility totalling $49,250,000 ($48,250,000 of which was drawn) and the balance of the purchase price in the amount of approximately $6,000,000 in cash (prior to customary closing costs and adjustments) from funds raised by CHC in the amount of $8,261,540 million (prior to closing costs) as a result of a financing that closed concurrently with the closing of the Property.

(d) Following the completion of the acquisition of the QT Property, CHC retained a third party property manager (the "Property Manager") to manage the QT Property pursuant to a property management agreement. Under the terms of the property management agreement, the Property Manager will receive a management fee (the "Management Fee") in the amount of 8.0% of net effective rent (gross rental revenue less vacancies) from the residential portion of the QT Property (commercial space rent not included). A pro forma reduction adjustment in the amount of $843 has been made to reflect the difference between the expense recorded for management services in the financial statements of the QT Property and the amount that would be payable in respect of the Management Fee based on the net effective rent from the residential portion of the QT Property recorded in the consolidated financial statements of the QT Property for the period from April 12, 2013 (date of incorporation) to December 31, 2013. There is no equivalent adjustment for the nine month period ended September 30, 2014.

Following the completion of the acquisition of the Windsor Property, CHC retained a third party property manager (the "Windsor Property Manager") to manage the Windsor Property pursuant to a property management agreement. Under the terms of the property management agreement, the Windsor Property Manager will receive a management fee (the "Windsor Management Fee") in the amount of 4.0% of net effective rent (gross rental revenue less vacancies). Pro forma increase adjustments in the amounts of $18,051 for the period from April 12, 2013 (date of incorporation) to December 31, 2013, and $19,785 for the nine month period ended September 30, 2014 have been made to reflect the difference between the expense recorded for management services in the financial statements of the Windsor Property and the amount that would be payable in respect of the Management Fee based on the net effective rent of the Windsor Property recorded in the consolidated financial statements of CHC.

Following the completion of the acquisition of the Property, CHC retained a third party property manager (the "London Property Manager") to manage the Property pursuant to a property management agreement. Under the terms of the property management agreement, the London Property Manager will receive a management fee (the "London Management Fee") in the amount of 3.0% of net effective rent (gross rental revenue less vacancies). Pro forma reduction adjustments in the amount of $5,246 for the period from April 12, 2013 (date of incorporation) to December 31, 2013, and $5,810 for the nine month period ended September 30, 2014 have been made to reflect the difference between the expense recorded for management services in the financial statements of the Property and the amount that would be payable in respect of the Management Fee based on the net effective rent of the Property recorded in the consolidated financial statements of CHC.

(e) Upon completion of the acquisition of the Windsor Property, CHC entered into a mortgage for the Windsor Property in the amount of $4,000,000. The mortgage has a 5-year term and bears interest at 3.47%. Pro forma adjustments in the amount of $47,198 for the period from April 12, 2013 (date of incorporation) to December 31, 2013, and $47,855 for the nine month period ended September 30, 2014, have been made to reflect the difference between the expense recorded for interest in the financial statements of the Windsor Property and the amount that would be payable in respect of interest costs in the consolidated financial statements of CHC.

Upon completion of the acquisition of the Property, the original mortgage assumed from the vendor was repaid and CHC entered into three separate mortgages for the Property in the aggregate amount of $48,250,000 (only $1,500,000 of the $2,500,000 credit facility was drawn). All of the mortgages are non-amortizing debt that required interest only payments. The first mortgage had two tranches, $33,000,000 and $5,500,000. The first tranche bears interest at the 3 Month Bankers Acceptance rate plus 215 basis points for a three year term. The second tranche bears interest at the 3 Month Bankers Acceptance rate plus 475 basis points for a one year term. The second mortgage has a 7-month term, has principal of $8,250,000 and bears interest at 12.0%. The third mortgage had a 7-month term, had principal of $1,500,000 and bears interest at 14.0%. The third mortgage was paid off prior to the Company's fiscal year end. Pro forma adjustments in the amount of $806,372 for the period from April 12, 2013 (date of incorporation) to December 31, 2013, and $917,250 for the nine month period ended September 30, 2014, have been made to reflect the difference between the interest expense recorded in the financial statements of the Property and the amount that would be payable in respect of interest costs in the consolidated financial statements of CHC.

(f) The pro forma effective income tax rate applicable to the consolidated operations will be approximately 26.5%. A pro forma adjustment has been reflected to tax effect the pro forma consolidated net income (loss) before tax for the period from April 12, 2013 (date of incorporation) to December 31, 2013, and for the nine month period ended September 30, 2014.