SMARTCENTRES REIT
ANNUAL GENERAL MEETING

Smart Today Smart Tomorrow

May 16, 2018

SMARTCENTRES®

FORWARD LOOKING STATEMENTS

SmartCentres wishes to remind all participants at this meeting that the presentations which follow contain certain “forward-looking” information and statements within the meaning of the safe-harbour provisions of the Securities Act (Ontario). The forward-looking information and statements are based upon management’s current assumptions, beliefs and expectations, among other factors.

Inherent in the forward-looking information and statements are known and unknown risks, uncertainties and other factors beyond SmartCentres’ ability to control or predict. There are risks that actual results may differ materially from those expected or implied by the forward-looking information and statements.

Certain of the material factors and assumptions that could cause actual results to differ from expectations are included in the sections entitled “Risk Factors” and “Risks and Uncertainties” set forth in our Annual Information Form and our MD&A for the year ended December 31, 2017, as supplemented by the disclosure under the heading "Risks and Uncertainties" and elsewhere in SmartCentres' MD&A for the three month period ended March 31, 2018.

AGENDA

- 2017 Financial Performance
- Our Core Retail Portfolio
- Development and Intensification Opportunities
- Conclusion
- Q & A

FISCAL 2017 - SOLID PERFORMANCE

	December 31 2017	December 31 2016	% Change
FFO with one time adjustment and transactional FFO	$351.4M	$337.1M	4.3%
FFO with one time adjustment and transactional FFO per Unit	$2.23	$2.17	2.8%
Payout ratio to ACFO with one time adjustment	81.8%	83.1%	-1.3%
Occupancy	98.2%	98.3%	-0.1%
Total Assets	$9.4B	$8.7B	8.0%

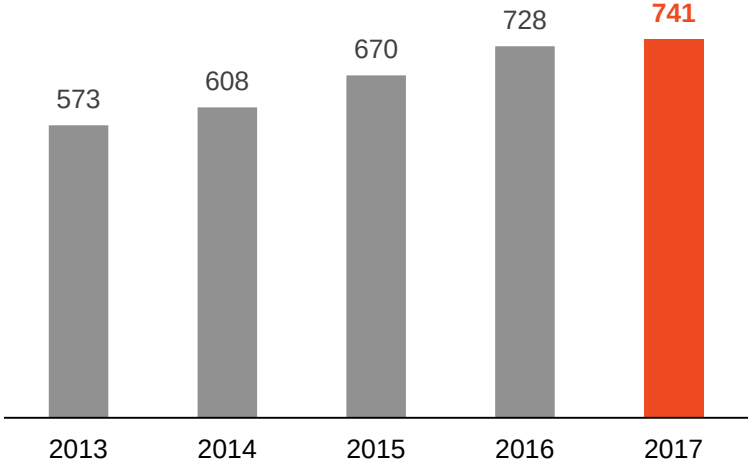
BALANCE SHEET SUPPORTS EXTENSIVE ASSET GROWTH

- Unencumbered pool as of Q1 2018 at $3.5 billion = flexibility
- Ready access to mortgage and unsecured debt capital when needed = strong liquidity
- Payout ratio to ACFO at 86.1% as of Q1 2018. Higher than latest long term target of 77% to 82% due to higher retail capex and REALPAC guideline on treatment of recoverable capex
- Current interest rates still lower than maturing rates despite recent Bank of Canada rate hikes, which help to improve FFO
- Bank syndicate members providing ready access to construction financing at attractive rates

GROWTH IN RENTAL REVENUE AND FFO/UNIT

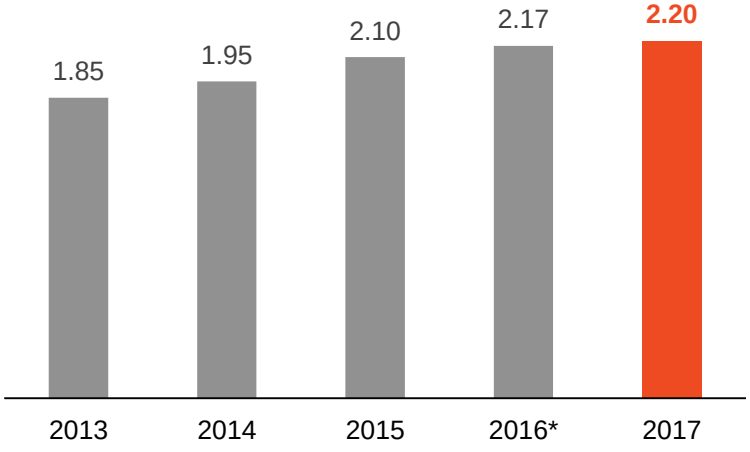
RENTAL REVENUE
(in millions of $)

6.4% CAGR
since 2013



FFO
($ per unit)

4.4% CAGR
since 2013

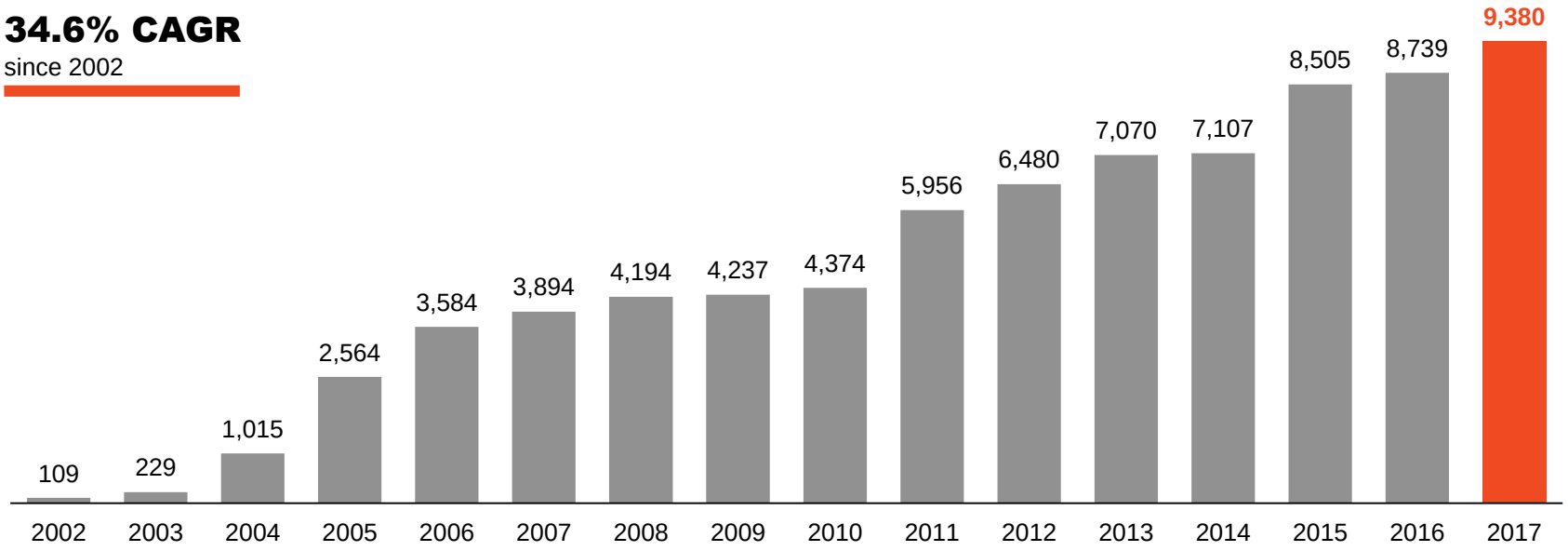


* Excludes $0.06 per unit of non-recurring income

GROWTH IN TOTAL ASSETS

TOTAL ASSETS
(in millions of $)

34.6% CAGR
since 2002



WHAT MAKES SMARTCENTRES STRONG

THE QUALITY OF OUR SHOPPING CENTRE PORTFOLIO

OUR HEALTHY BALANCE SHEET AND FINANCIAL FLEXIBILITY

CONSERVATIVE PROPERTY VALUATIONS AND SIGNIFICANT NAV GROWTH POTENTIAL

AN EXCEPTIONAL PIPELINE OF MIXED-USE GROWTH INITIATIVES

THE QUALITY AND DEPTH OF OUR DEVELOPMENT TEAM AND JV RELATIONSHIPS

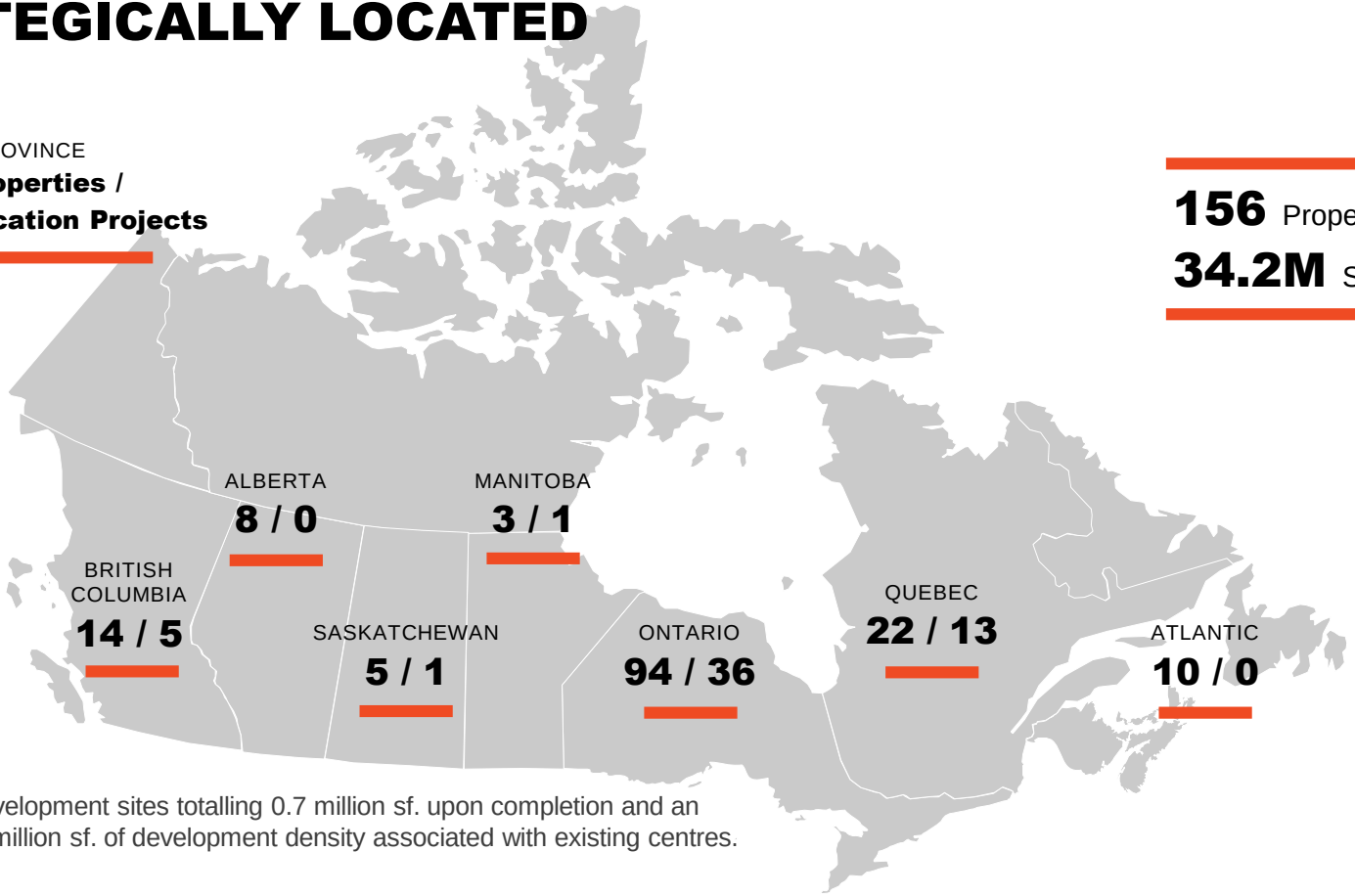
VALUE AND CONVENIENCE IN ONE STOP

- 34.2 million sf. of principally open format shopping centre space
- Average age: 14.1 years (youngest in the industry)
  - Lower capital expenditures
- Coast to coast locations
  - 84% are urban or near urban markets
  - 83% by square feet in Ontario, Quebec and BC
- Virtually 100% of sites contain both a food store and a pharmacy, either in a Walmart store or independently
- Strong value orientation
- Results in high degree of stability:
  - Average occupancy of 98.9% since 2005

STRATEGICALLY LOCATED

PROVINCE
 # Properties /
 # Intensification Projects

156 Properties*
34.2M SF.*



* Excludes 7 development sites totalling 0.7 million sf. upon completion and an additional 3.3 million sf. of development density associated with existing centres.

SMARTCENTRES' GROWTH INITIATIVES

- **RESIDENTIAL**
  - APARTMENT RENTALS
  - CONDOMINIUMS
  - TOWNHOUSES
- **SENIOR RESIDENCES**
- **SELF-STORAGE**
- **OFFICE**
- **VAUGHAN METROPOLITAN CENTRE**
- **RETAIL**
  - BUILD-OUT OF EXISTING
  - PREMIUM OUTLETS CENTRES

SMARTCENTRES OPPORTUNITY

INTENSIFICATION

OUR MIXED-USE SITES

OUR DEVELOPMENT TEAM AND PARTNERS

SMARTCENTRES' DEVELOPMENT PLATFORM

- SmartCentres' team built over 50 million sf. and over 170 open format shopping centres in the last 20 years
- Highly skilled and experienced group of planners, architects, engineers and developers, together with strong leasing and operational expertise
- Mitchell Goldhar, as Executive Chairman, is very involved in all projects

ABILITY TO EXECUTE

STRONG, EXPERIENCED IN-HOUSE DEVELOPMENT TEAM

PARTNER RELATIONSHIPS

GOVERNMENT / CONSULTANT RELATIONSHIPS

IN-HOUSE DEVELOPMENT TEAM

Employees in Development & Leasing Related Functions:

- Number of People: 145
- Number of Years Experience with SmartCentres
  - Average: 7.5 years
  - Total: 1,088 years
- Number of Years Experience in Real Estate
  - Average: 15.0 years
- Total: 2,175 years

STRATEGIC RELATIONSHIPS

Walmart

MITCHELL GOLDHAR

SIMON℠

CENTRECOURT DEVELOPMENTS

revera®

JADCO CORPORATION IMMOBILIÈRE

SMARTSTOP™ ASSET MANAGEMENT

FIELDGATE HOMES EST. 1987

DEVELOPMENT / INTENSIFICATION

PREMIUM OUTLETS

- Toronto Premium Outlets
  - 500,000 sf. when complete
  - Phase I August 1, 2013
  - Phase II – new parking facility opened November 2017 and expansion buildings to open November 2018
  - Stabilized yield in the double digits
- Premium Outlets Montreal
  - 350,000 sf.
  - Phase I October 30, 2014
  - Additional 75 acres of potential development to include retail, residential, hotel, etc.
- Actively sourcing two other locations in Canada

DEVELOPMENT / INTENSIFICATION

TORONTO PREMIUM OUTLETS

Expansion

DEVELOPMENT / INTENSIFICATION

TORONTO PREMIUM OUTLETS

New Parking Deck

DEVELOPMENT / INTENSIFICATION

CONDOMINIUMS
WITH CENTRECOURT

- Partner for first three 55-storey sold-out towers at VMC

- GTA focused:
  - 2,000 units completed
  - 4,000 units under active construction

- Initial discussions for further VMC towers and other projects

RETIREMENT HOMES
WITH REVERA

- Joint venture with Revera, one of Canada's largest operators in the senior living sector
- Once the pipeline is fully established, expect to complete 5 projects per year
- Typical building size is 140,000 sf., with investment including land of up to $70 million per site
- Yields in the 6.0% - 8.0% range on cost

DEVELOPMENT / INTENSIFICATION

SELF-STORAGE
WITH SMARTSTOP

- Buildings on average 100,000 to 130,000 sf.
- Development yield expected to be 7.0% to 8.5%
- Additional returns from sale of land into the JV
- 5 initial sites identified in the GTA, with expansion across country planned

VAUGHAN NW TORONTO RESIDENTIAL

Existing Walmart anchored shopping centre at Major Mackenzie Drive and Weston Road in Vaughan

- JV with Fieldgate on 16-acre site for up to 230 freehold townhomes
- JV with SmartStop, 4-storey, 108,000 sf. self-storage facility
- Planned mixed-use on 6 acres on prime corner – seniors residences, apartments, condominiums

DEVELOPMENT / INTENSIFICATION

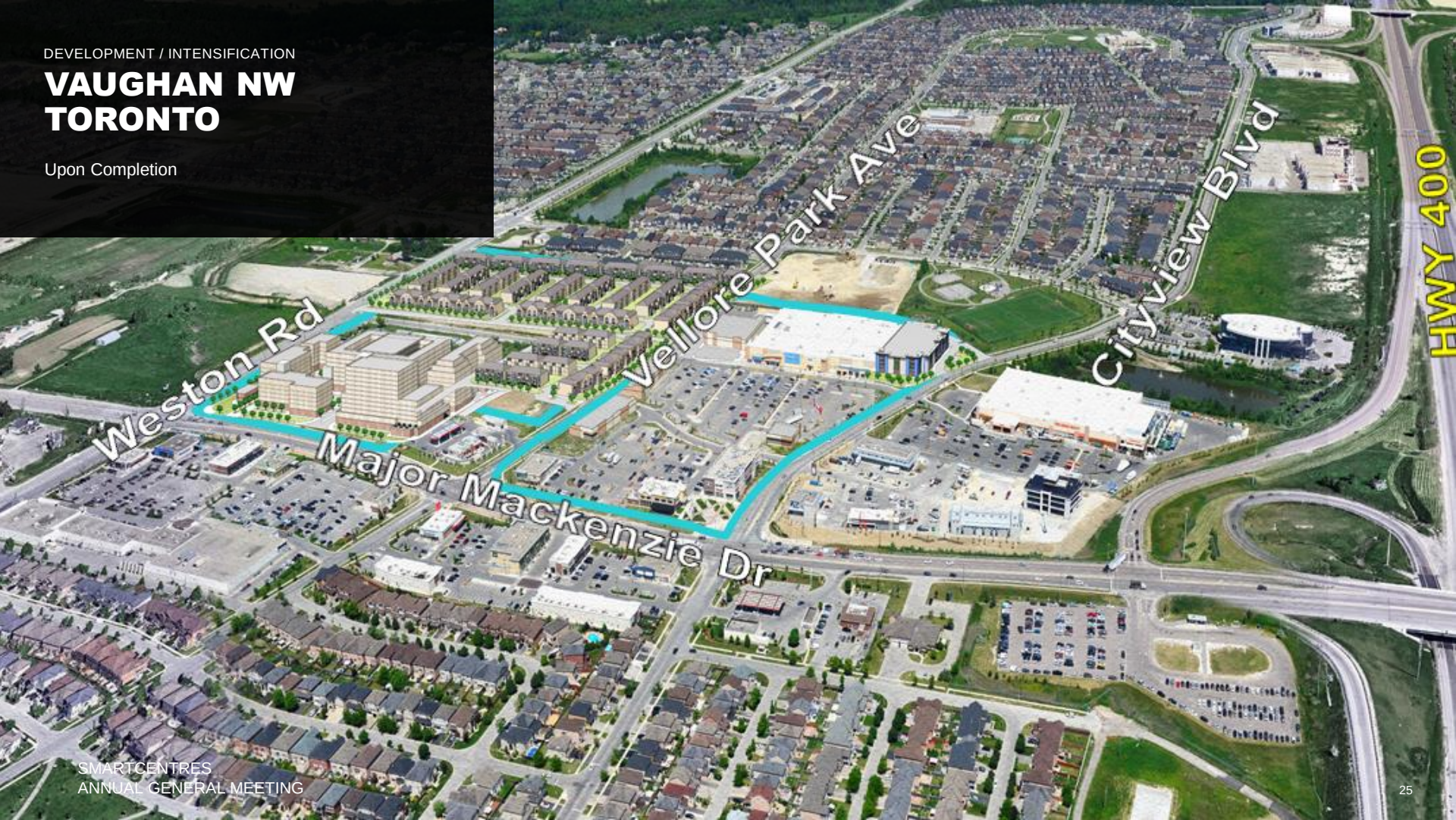
VAUGHAN NW TORONTO

Mixed-Use

DEVELOPMENT / INTENSIFICATION

VAUGHAN NW TORONTO

Upon Completion



LAVAL CENTRE MONTREAL

- 43 acre site anchored by a 160,000 square foot Walmart Supercentre
- Parcels of land under contract for seniors housing, hotel and office development of 400,000 sf.
- JV for 290,000 sf. of rental residential in 338 units with Jadco
- Remaining 15 acres to be developed as mixed-use, including retail at grade

DEVELOPMENT / INTENSIFICATION

LAVAL CENTRE MONTREAL

Aerial

DEVELOPMENT / INTENSIFICATION

LAVAL CENTRE MONTREAL

With Jadco

- 338 units in the two buildings along with central services

DEVELOPMENT / INTENSIFICATION

LAVAL CENTRE MONTREAL

Architect’s Rendering

POINTE-CLAIRE MONTREAL

- Walmart and Home Depot anchor site on the West Island of Montreal purchased in 2016
- Very well-located site in terms of road access and a new electric train line
- Opportunity to add 1 – 1½ million sf. of mixed-use development on the perimeter of the property
- Zoning obtained in April for many uses, including residential, seniors housing and office
- First buildings expected to be completed in 2021

DEVELOPMENT / INTENSIFICATION

POINTE-CLAIRE MONTREAL

Existing conditions

DEVELOPMENT / INTENSIFICATION

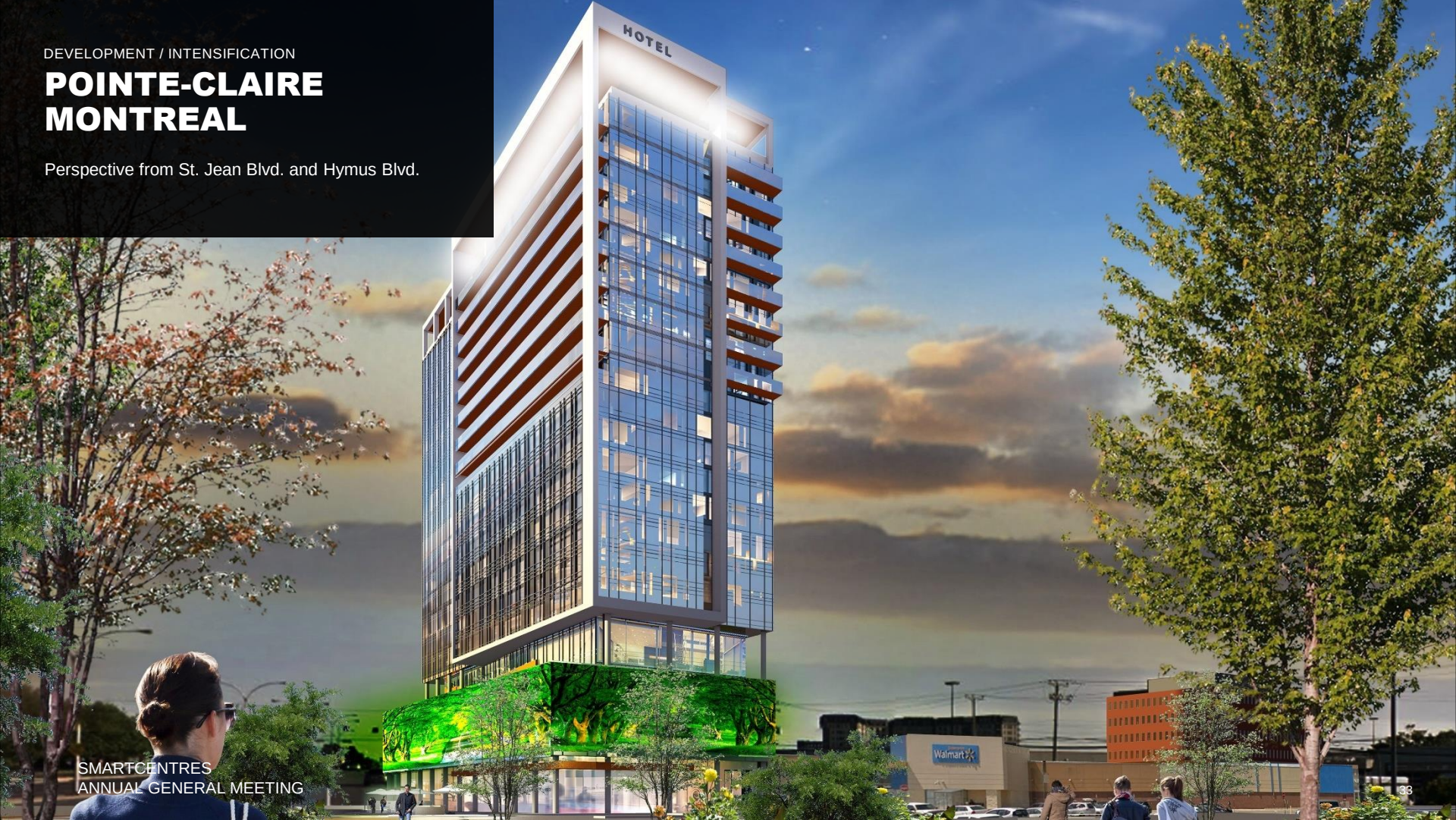
POINTE-CLAIRE MONTREAL

Perspective from St. Jean Blvd. and Hymus Blvd.

DEVELOPMENT / INTENSIFICATION

POINTE-CLAIRE MONTREAL

Perspective from St. Jean Blvd. and Hymus Blvd.



WESTSIDE MALL TORONTO

- Currently a 140,000 square foot shopping centre with urban transit-focused redevelopment potential
- Light Rapid Transit (LRT) station as part of Eglinton Cross Town system to open on site
- GO train station with links to existing GO network adjoining site
- Council support for rezoning up to 2.5 million sf.
- Long-term project to add principally new residential development, with retail at grade

DEVELOPMENT / INTENSIFICATION

WESTSIDE MALL TORONTO

Architect's Rendering

OVERALL DEVELOPMENT PLANS

Next 5 years commence development:

100%	REIT share
$7-8 billion	$2.9 billion

More diversified investment than other REITs:

- by type
- urban and suburban

In 10 years:

- Recurring NOI – 15% of total NOI, plus;
- $20 - $40 million of profit per year (commencing in 2020)

VAUGHAN METROPOLITAN CENTRE (VMC) TORONTO

- A long term build (10 – 15 years)
- A 50:50 JV between SmartCentres and Penguin Investments (Mitchell Goldhar)
- Potential density of 18 – 19 million sf. for the 100-acre site
- At its 50% ownership, SmartCentres lands (approximately 25 acres) represent 4.5 – 5.5 million sf. of potential development
- Transit infrastructure
  - TTC subway
  - VIVA bus opened in December 2017
  - York regional bus station (Q2 2018)

VMC TORONTO PHASES 1 & 2 OFFICE

- KPMG Tower complex with 365,000 sf. of LEED Gold space, opened in 2016
- 16th Annual Real Estate Excellence (REX) Award for Office Development of the Year for the GTA
- Tenants include:
- Second mixed-use tower under construction, with YMCA, Library and community space for 100,000 sf. and PwC has taken 80,000 sf. of office space
- Nine-acre urban park is a key component of the master strategy

SMARTCENTRES® PLACE MASTER PLAN

THE SMARTCENTRES PLACE MASTER PLAN OFFERS:

- 19 million square feet of development
- 9 acre central park
- Urban square centrally located between the TTC subway station and the York Regional Rapid Transit bus terminal.

* Plan is for illustrative purposes only and is subject to change

PEDESTRIAN TUNNEL
VIVA LINE
TTC LINE
VIVA BUS RAPID TRANSIT STOPS

DEVELOPMENT / INTENSIFICATION

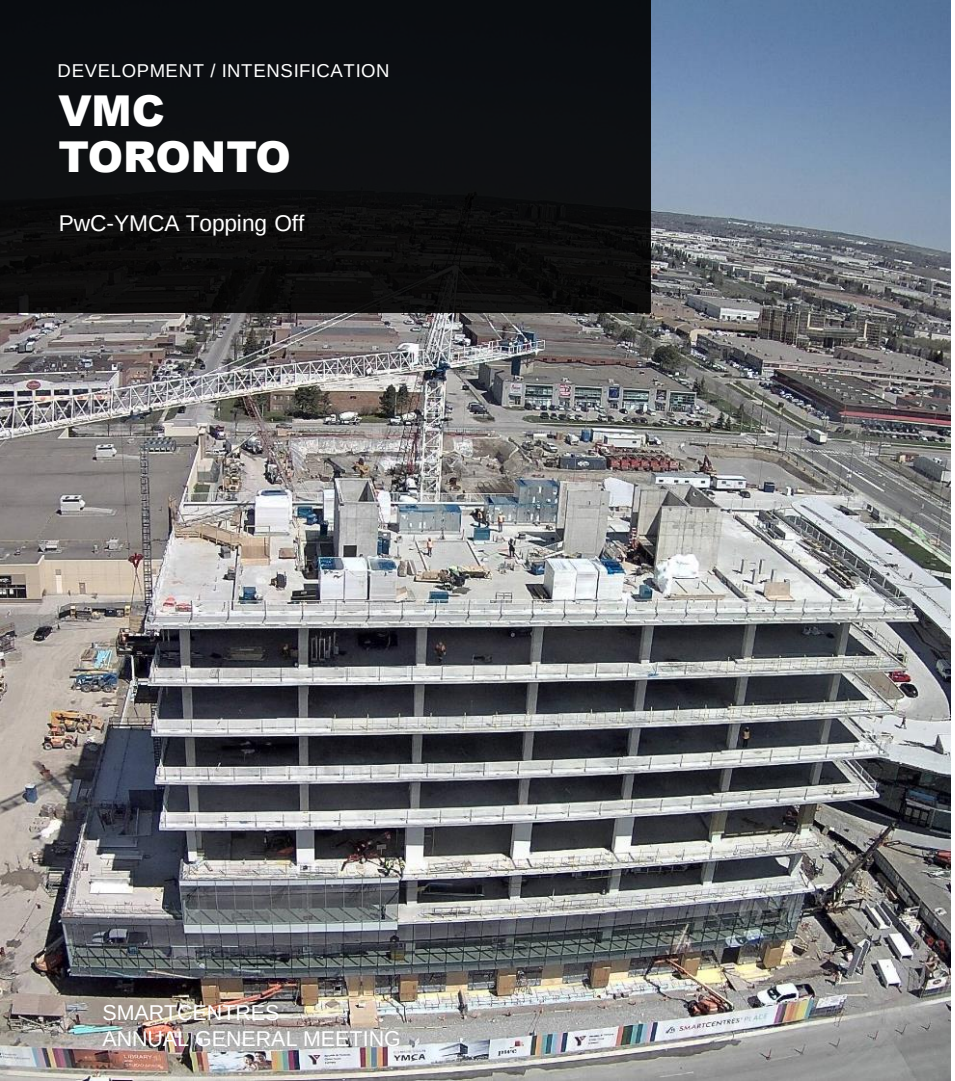
VMC TORONTO

PwC-YMCA & Transit City

DEVELOPMENT / INTENSIFICATION

VMC TORONTO

PwC-YMCA Topping Off

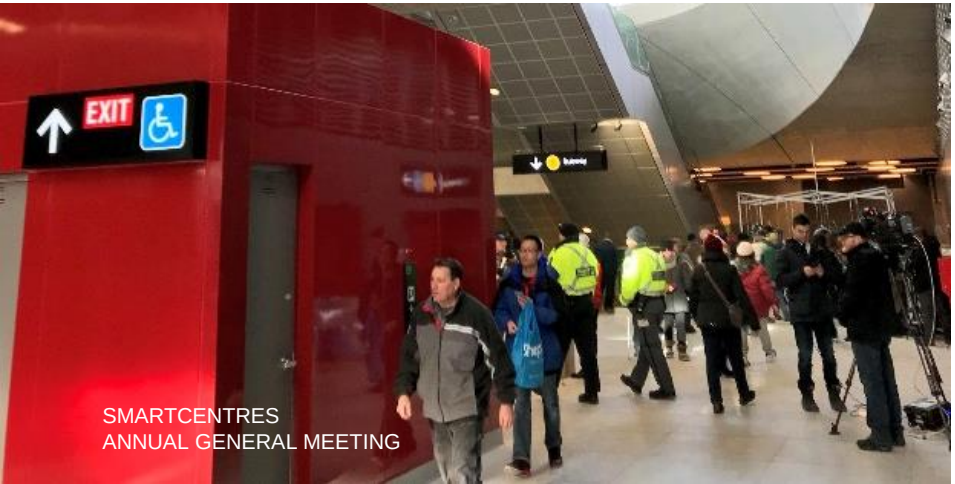


DEVELOPMENT / INTENSIFICATION

VMC TORONTO

SmartCentres Place Bus Terminal

VMC SUBWAY STATION



VMC TORONTO RESIDENTIAL

- First residential development is a JV with CentreCourt Developments
- Initial plan was for a 55-storey condominium tower with over 500 suites, anchored by a BUCA-branded restaurant and BAR BUCA
- Three 55-storey towers sold out in less than one month
- Sales centre built on-site to allow potential purchasers of these and future phases to see suite layouts, finishes, etc.

DEVELOPMENT / INTENSIFICATION

VMC TORONTO

Central Park

SMARTCENTRES VERY WELL POSITIONED

- An excellent, stable core business based on 34.2 million sf. of principally Walmart anchored shopping centres
- An expanding portfolio of growth initiatives set to deliver over the short, medium and long term
- An exceptionally experienced management team and development platform
- A solid balance sheet with strong credit metrics

Thank You

SmartCentres Associates

Trustees

Business Partners

Investors