Condensed Consolidated Interim Financial Statements

Quarter Ended September 30th, 2018

BTB

Building on Quality

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CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - in thousands of CAD dollars)

	Notes	As at September 30, **2018**	As at December 31, **2017**
		$	$
ASSETS			
Investment properties	3,4, 5	819,375	751,110
Property and equipment	6	159	2,100
Derivative financial instruments	13	3,160	1,370
Other assets	7	5,563	1,680
Receivables	8	3,523	4,212
Cash and cash equivalents		2,136	1,918
Total assets		**833,916**	**762,390**
LIABILITIES AND UNITHOLDERS' EQUITY			
Mortgage loans payable	9	468,328	428,382
Convertible debentures	10	48,579	48,183
Bank loans	11	15,900	18,130
Class B LP Units	12	2,560	—
Unit-based compensation	14	596	498
Trade and other payables		16,925	16,555
Distributions payable to unitholders		1,931	1,695
Total liabilities		**554,819**	**513,443**
Unitholders' equity		**279,097**	**248,947**
		833,916	**762,390**

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Board on November 2, 2018.

Michel Léonard, Trustee

Jocelyn Proteau, Trustee

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited - in thousands of CAD dollars)

		For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	Notes	**2018**	**2017** (restated – see note 2(f))	**2018**	**2017** (restated – see note 2(f))
		$	$	$	$
Operating revenues					
Rental revenues from properties	16	23,098	18,187	65,341	55,625
Operating expenses					
Public utilities and other operating costs		4,564	3,973	14,393	13,019
Property taxes and insurance		5,204	4,170	14,935	12,672
		9,768	8,143	29,328	25,691
Net operating income		**13,330**	**10,044**	**36,013**	**29,934**
Expenses					
Finance costs		5,906	4,943	16,990	14,496
Net adjustment to fair value of derivative financial instruments		(985)	(351)	(1,790)	(536)
Net financing costs	17	4,921	4,592	15,200	13,960
Trust administration expenses		(1,191)	(935)	(3,684)	(3,243)
Gain on disposal of Owner-occupied land and Building	6	—	—	1,192	—
Gain on debt extinguishment		—	—	133	—
Distributions - Class B LP Units	12	(56)	—	(75)	—
Fair value adjustment – Class B LP Units	12	(69)	—	(69)	—
Net changes in fair value of investment properties, business acquisitions and disposals transaction costs	18	(1,300)	(190)	(1,369)	(58)
Net income being total comprehensive income for the period		**5,793**	**4,327**	**16,941**	**12,673**

See accompanying notes to condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(Unaudited - in thousands of CAD dollars)

For the nine-month period ended September 30, 2018	Notes	Unitholders' contributions	Cumulative distributions	Cumulative comprehensive income	Total
Balance at January 1, 2018		**244,115**	**(87,656)**	**92,488**	**248,947**
Issuance of units	15	29,429	—	—	29,429
Distributions to unitholders	15	—	(16,220)	—	(16,220)
		273,544	(103,876)	92,488	262,156
Comprehensive income		—	—	16,941	16,941
Balance as at September 30, 2018		**273,544**	**(103,876)**	**109,429**	**279,097**

For the nine-month period ended September 30, 2017	Notes	Unitholders' contributions	Cumulative distributions	Cumulative comprehensive income	Total
Balance at January 1, 2017		**217,816**	**(69,170)**	**64,317**	**212,963**
Issuance of units		1,719	—	—	1,719
Distributions to unitholders	15	—	(13,407)	—	(13,407)
		219,535	(82,577)	64,317	201,275
Comprehensive income		—	—	12,673	12,673
Balance as at September 30, 2017		**219,535**	**(82,577)**	**76,990**	**213,948**

See accompanying notes to condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited - in thousands of CAD dollars)

		For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2018	**2017**	**2018**	**2017**
		$	$	$	$
Operating activities					
Net income for the period		5,793	4,327	16,941	12,673
Adjustment for:					
Net changes in fair value of investment properties and disposal transaction costs	18	1,300	190	1,300	58
Gain on debt extinguishment	8	—	—	(133)	—
Gain on disposal of Owner-occupied land and Building	6	—	—	(1,192)	—
Depreciation of property and equipment	6	14	37	60	117
Unit-based compensation	14	51	71	284	212
Straight-line lease adjustment	16	(249)	(94)	(432)	(261)
Lease incentive amortization	16	1,158	624	2,615	1,813
Net financing costs	17	4,921	4,592	15,200	13,960
Fair value adjustment – Class B LP Units	12	69	—	69	—
		13,057	9,747	34,712	28,572
Net change in non-cash operating items		(573)	414	(5,683)	(4,245)
Net cash from operating activities		**12,484**	**10,161**	**29,029**	**24,327**
Investing activities					
Additions to investment properties	3, 4	(70,795)	(26,016)	(75,382)	(30,084)
Acquisition of a business	3, 4	—	—	(43)	—
Net proceeds from disposal of investment properties	5	5,586	4,102	14,484	10,715
Additions to property and equipment	6	(9)	(30)	(17)	(54)
Disposition of Owner-occupied land and Building	6	—	—	3,082	—
Net cash used in investing activities		**(65,218)**	**(21,944)**	**(57,876)**	**(19,423)**
Financing activities					
Mortgage loans, net of financing costs		45,876	16,089	62,665	22,660
Repayment of mortgage loans		(6,193)	(7,512)	(28,476)	(22,730)
Bank loans, net of financing costs		15,900	13,940	14,420	17,060
Repayment of bank loans		—	—	(16,650)	—
Net proceeds from issue of units		4	—	27,241	—
Net distributions to unitholders		(5,088)	(3,913)	(13,978)	(11,779)
Interest paid		(5,572)	(4,560)	(16,157)	(13,547)
Net cash from (used in) financing activities		**44,927**	**14,044**	**29,065**	**(8,336)**
Net (decrease) increase in cash and cash equivalents		**(7,807)**	**2,261**	**218**	**(3,432)**
Cash and cash equivalents, beginning of period		**9,943**	**974**	**1,918**	**6,667**
Cash and cash equivalents, end of period		**2,136**	**3,235**	**2,136**	**3,235**

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2018 and 2017
(Unaudited - in thousands of CAD dollars, except per unit amounts)

1. Reporting Entity

BTB Real Estate Investment Trust ("BTB") is an unincorporated open-ended real estate investment trust formed and governed under the Civil code of Quebec pursuant to a trust agreement and is domiciled in Canada. The address of BTB's registered office is 1411 Crescent Street, Suite 300, Montreal, Quebec, Canada. The condensed consolidated interim financial statements of BTB for the nine-month periods ended September 30, 2018 and 2017 comprise BTB and its wholly-owned subsidiaries (together referred to as the "Trust") and the Trust's interest in joint operations.

2. Basis of Preparation

(a) Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the Trust's consolidated financial statements for the years ended December 31, 2017 and 2016.

The accounting policies applied by the Trust in these unaudited condensed interim financial statements are the same as those applied by the Trust in its consolidated financial statements for the year ended December 31, 2017 except as described in notes 2(e) and 2(f).

These condensed consolidated interim financial statements were approved by the Board of Trustees on November 2, 2018.

(b) Basis of presentation and measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position which are measured at fair value:

- Investment properties;
- Derivative financial instruments;
- Unit-based compensation;
- Class B LP Units.

The Trust presents its consolidated statements of financial position based on the liquidity method, whereby all assets and liabilities are presented in increasing order of liquidity.

(c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is BTB's functional currency. All financial information has been rounded to the nearest thousand, except per unit amounts.

(d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates.

(Unaudited - in thousands of CAD dollars, except per unit amounts)

The significant judgments made by management in applying the Trust's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2017.

(e) New accounting policy

(i) Class B LP Units

The Class B LP Units issued by one of the limited partnerships that the Trust controls, are classified as "financial liabilities", as they are exchangeable into Units of the Trust on a one-for-one basis at any time at the option of the holder. The Class B LP Units are measured at fair value and presented as part of the liabilities in the statement of financial position, with changes in fair value recorded in the statement of comprehensive income. The fair value of the Class B LP Units is determined with reference to the market price of the Units of the Trust on the date of measurement. Distributions on the Class B LP Units are recognized in the statement of comprehensive income when declared.

(f) Change in accounting policy

On January 1, 2018, the Trust implemented IFRS 9, Financial Instruments ("IFRS 9"), IFRS 15, Revenue from Contracts with Customers ("IFRS 15") and amendment to IAS 40, Investment Property ("IAS 40"). The impacts on implementation of IFRS 9, IFRS 15 and IAS 40 are described below.

(i) IFRS 9

IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets, including impairment. IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management.

Classification and Measurement

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. Financial assets are classified and measured based on the three categories: amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit and loss (FVTPL). Financial liabilities are classified and measured on two categories: amortized costs or FVTPL. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated, but the hybrid financial instrument as a whole is assessed for classification.

The following table summarizes the classification impacts upon adoption of IFRS 9. The adoption of the new classification requirements under IFRS 9 did not result in significant changes in measurement or the carrying amount of financial assets and liabilities.

Asset/Liability	Classification under IAS 39	Classification under IFRS 9
Cash and cash equivalents	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Receivables	Loans and receivables	Amortized cost
Deposits	Loans and receivables	Amortized cost
Mortgage loans payable	Other financial liabilities	Amortized cost
Convertible debentures	Other financial liabilities	Amortized cost
Bank loans	Other financial liabilities	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Distribution payable to unitholders	Other financial liabilities	Amortized cost
Derivative financial instruments	Fair value through profit and loss	Fair value through profit and loss

Financial assets are not reclassified subsequent to their initial recognition, unless the Trust identifies changes in its business model in managing financial assets and would reassess the classification of financial assets.

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" ("ECL") model. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model is applied, at each balance sheet date, to financial assets measured at amortized cost or those measured at FVOCI, except for investments in equity instruments.

The Trust adopted the practical expedient to determine ECL on receivables using a provision matrix based on historical credit loss experiences to estimate lifetime ECL. The ECL model applied to other financial assets also required judgment, assumptions and estimations on changes in credit risks, forecasts of future economic conditions and historical information on the credit quality of the financial asset. The provision matrix and ECL models applied did not have a material impact on receivables of the Trust.

Impairment losses, if incurred, would be recorded in the Trust administration expenses in the consolidated statement of comprehensive income with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts. In periods subsequent to the impairment where the impairment loss has decreased, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss would be reversed through the consolidated statement of comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

(ii) IFRS 15

In May 2014 the IASB issued IFRS 15 in replacement of IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. The new standard is effective for the Trust's annual period beginning on January 1, 2018. The adoption of the new standard did not have a material impact on the financial statements except for the presentation on a gross basis of property tax recoveries and property tax expenses related to certain single tenants who paid property taxes directly on behalf of the Trust. For the three and nine-month periods ended September 30, 2018, the presentation on a gross basis instead of on a net basis results in an additional amount of $752 and $2,256 respectively (for the three and nine-month periods ended September 30, 2017 - $680 and $2,041 respectively) in property tax recoveries presented as revenues, offset by an increase in property tax expenses of the same amount thereby generating no incremental net operating income. The Trust's most material revenue stream is base rental revenue, which is outside the scope of IFRS 15. The recovery of costs related to the provision of services is considered within the scope of IFRS 15 and the Trust has concluded that the pattern of revenue recognition remains unchanged. IFRS 15 required the Trust to disclose revenue recognized from contracts with customers separately from other sources of revenue, including those included within gross leases (see additional disclosures in note 16).

(Unaudited - in thousands of CAD dollars, except per unit amounts)

(iii) IAS 40

In December 2016, the IASB issued an amendment to IAS 40 clarifying certain existing requirements. The amendment requires that an asset be transferred to or from investment property only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments are effective for annual periods beginning on or after January 1, 2018. The Trust adopted the amendments to IAS 40 in its current financial statements. The implementation of the amendments did not have an impact on the financial statements.

(g) New standards and interpretations not yet adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2018, and have not been applied in preparing these consolidated financial statements.

(i) IFRS 16, Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16, Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. This standard would be effective for the Trust's annual periods beginning after January 1, 2019 with earlier adoption permitted. The Trust is assessing the impact of this new standard on its consolidated financial statements.

3. Investment Properties

	Nine-month period ended September 30, 2018	Year ended December 31, 2017
	$	$
Balance beginning of period	751,110	645,485
Acquisitions of investment properties (note 4)	71,934	96,057
Business combination (note 4)	7,500	—
Disposals of investment properties (note 5)	(15,294)	(11,450)
Capital expenditures	2,837	4,327
Capitalized leasing fees	1,287	1,119
Capitalized lease incentives	2,681	6,241
Lease incentives amortization	(2,615)	(2,449)
Straight-line lease adjustment	432	443
Net changes in fair value of investment properties (note 18)	(497)	11,337
Balance end of period	**819,375**	**751,110**

The fair value of a subset of the Trust's investment properties comprised of a selection of the most significant investment properties and approximately 1/3 of the remaining investment properties is determined annually on the basis of valuations made by independent external appraisers having appropriate professional qualifications, using recognized valuation techniques, comprising the Discounted Cash Flow, the Direct Capitalization and Comparable methods. The selection of investment properties subject to independent external valuation is determined by management based on its assessment of circumstances that in its view, may impact the value of a particular individual investment property. The fair value of the remaining investment properties is determined by management using internally generated valuations based on the Direct Capitalization method.

At September 30, 2018 external appraisals were obtained for investment properties with an aggregate fair value of $109,090 (December 31, 2017 - $536,158).

For the nine-month periods ended September 30, 2018 and 2017
(Unaudited - in thousands of CAD dollars, except per unit amounts)

The fair value of investment properties is based on Level 3 inputs. There have been no transfers during the period between levels. The significant inputs used to determine the fair value of the Trust's investment properties are as follows:

	Retail	Office	Industrial	Mixed use
As at September 30, 2018				
Capitalization rate	6.25% - 10.00%	6.25% - 8.50%	6.50% - 9.75%	5.00% - 7.50%
Terminal capitalization rate	6.25% - 8.00%	6.50% - 7.75%	7.00% - 9.50%	5.25% - 7.50%
Discount rate	6.50% - 8.75%	7.00% - 8.75%	7.75% - 10.50%	6.25% - 8.50%
As at December 31, 2017				
Capitalization rate	6.25% - 10.00%	6.25% - 8.50%	6.50% - 9.75%	6.75% - 7.50%
Terminal capitalization rate	6.25% - 8.00%	6.50% - 7.75%	7.00% - 9.50%	6.75% - 7.50%
Discount rate	7.25% - 8.75%	7.00% - 8.75%	7.75% - 10.50%	7.50% - 8.50%

Valuations determined by the Direct Capitalization method are most sensitive to a change in the capitalization rate. An increase in the capitalization rate, other things being equal, will result in a decrease in fair value of the investment properties and vice-versa.

4. Acquisitions

(a) 2018 Asset acquisitions

The fair value of the assets and liabilities recognized in the condensed consolidated interim statement of financial position on the date of the acquisition during the nine-month period ended September 30, 2018 were as follows:

				Fair value recognized on acquisition			
Acquisition date	**Property type**	**Location**	**Interest acquired**	**Investment properties, including transaction costs**	**Balance of purchase price**	**Receivable / (Trade and other payables), including transaction costs**	**Total cash consideration paid**
			%	$	$	$	$
February 2018	Retail	Delson, QC	100	1,865	(1,399) [1]	—	466
July 2018	Mixed	Montreal, QC	100	25,200	—	(121)	25,079
July 2018	Retail	Lévis, QC	100	42,600	—	349	42,949
Transaction costs				2,269	—	(2,269)	—
Total				**71,934**	**(1,399)**	**(2,041)**	**68,494**

[1] The Balance of purchase price is comprised of one mortgage loan payable bearing interest at an interest rate of 4.00%, payable monthly, maturing in December 2018.

(b) 2018 Acquisition of a subsidiary accounted as a business combination

On May 30, 2018, the Trust acquired 25% of the interest in Complexe Lebourgneuf-Phase II joint operation. As a result, the Trust's interest in Complexe Lebourgneuf-Phase II increased from 75% to 100% and the Trust obtained control of Complexe Lebourgneuf-Phase II.

(Unaudited - in thousands of CAD dollars, except per unit amounts)

The following table summarises, at the date of acquisition, the recognised amounts of assets acquired and liabilities assumed pertaining to the 25% acquired and the fair value of each major class of consideration transferred. The carrying amount of the previously held interests in the joint operation of 75% approximated their fair value at the date of acquisition and as a result no other information on the previously held interest is presented below.

Identifiable assets acquired and liabilities assumed	$
Assets	
Investments properties	7,500
Other assets	213
	7,713
Liabilities	
Assumed mortgages	(5,009)
Accounts payables and other liabilities	(170)
	(5,179)
Net asset acquired	**2,534**
Consideration transferred by the Trust	
Class B LP Units issued (note 12)	2,491
Cash	43
Total consideration transferred	**2,534**

The fair value of the Class B LP Units issued was determined with reference to the market price of Units of the Trust at the date of the acquisition.

The Trust incurred acquisition-related costs of $69 on legal fees. These costs have been included in Transaction costs (see note 18).

For the nine-month period ended September 30, 2018, the additional 25% of Complexe Lebourgneuf-Phase II contributed to the Trust's operating revenues and income for $204 and $19 respectively. If the acquisition had occurred on January 1st, 2018, management estimates that condensed consolidated revenue would have been $528,869, and condensed consolidated income for the period would have been $17,031. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1st, 2018.

(c) 2017 Asset acquisitions

The fair value of the assets and liabilities recognized in the condensed consolidated interim statement of financial position on the date of the acquisition during the nine-month period ended September 30, 2018 were as follows:

						Fair value recognized on acquisition	
Acquisition date	**Property type**	**Location**	**Interest acquired**	**Investment properties, including transaction costs**	**Balance of purchase price**	**Trade and other payables, including transaction costs**	**Total cash consideration paid**
			%	$	$	$	$
August 2017	Retail	Longueuil, QC	100	23,200	—	(107)	23,307
Transaction costs				393	—	393	—
Total				**23,593**	—	**286**	**23,307**

For the nine-month periods ended September 30, 2018 and 2017
(Unaudited - in thousands of CAD dollars, except per unit amounts)

5. Disposals

(a) 2018 Asset disposals

The following table presents relevant information on disposals recognized in the condensed consolidated interim financial statements during the nine-month period ended September 30, 2018:

Disposal date	Property type	Location	Gross proceeds	Receivable / (Trade and other payables), including transaction costs	Net proceeds
			$	$	$
January 2018	Industrial	Dorval, QC	5,650	(1)	5,649
February 2018	Industrial	Cornwall, ON	490	(6)	484
February 2018	Retail	Drummondville, QC	3,075	(31)	3,044
July 2018	Retail	Thetford Mines, QC	475	—	475
August 2018	Retail	Chambly, QC	5,604	32	5,636
Transaction costs(1)			—	(803)	(803)
Total			**15,294**	**(809)**	**14,484**

(1)Transaction costs are recognized in profit and loss under Net changes in fair value of investment properties and disposals transaction costs (see note 18).

On October 18, 2018, the Trust disposed of six properties located in Sherbrooke, Quebec, for $30.5 million (see note 25).

(b) 2017 Asset disposals

The following table presents relevant information on disposals recognized in the condensed consolidated interim financial statements during the nine-month period ended September 30, 2017:

Disposal date	Property type	Location	Gross proceeds	Restricted Cash	Trade and other payables, including transaction costs	Net proceeds
			$	$	$	$
March 2017	Mixed use	Dollard-des-Ormeaux, QC	7,000	—	(37)	6,963
September 2017	Retail	Trois-Rivières, QC	1,825	(50)	(82)	1,693
September 2017	Retail	Laval, QC	2,625	—	(26)	2,599
Transaction costs(1)			—	—	(540)	(540)
Total			**11,450**	**(50)**	**(685)**	**10,715**

(1)Transaction costs are recognized in profit and loss under Net changes in fair value of investment properties and disposals transaction costs (see note 18).

6. Property and Equipment

	Owner-occupied land	Owner-occupied building	Equipment, furniture and fixtures	Rolling stock	Total
	$	$	$	$	$
Cost					
Balance at December 31, 2016	494	1,955	640	170	**3,259**
Additions	—	13	56	7	**76**
Balance at December 31, 2017	494	1,968	696	177	**3,335**
Additions	—	—	9	—	**9**
Disposals	(494)	(1,968)	—	—	**(2,462)**
Balance at September 30, 2018	—	—	705	177	**882**

(Unaudited - in thousands of CAD dollars, except per unit amounts)

Accumulated Depreciation					
Balance at December 31, 2016	—	509	492	80	**1,081**
Depreciation for the year	—	58	68	28	**154**
Balance at December 31, 2017	—	567	560	108	**1,235**
Depreciation for the period	—	5	33	22	**60**
Disposals	—	(572)	—	—	**(572)**
Balance at September 30, 2018	—	—	593	130	**723**
Net carrying amount					
Balance at December 31, 2017	494	1,401	136	69	**2,100**
Balance at September 30, 2018	—	—	112	47	**159**

The Owner-occupied land and building was sold for gross proceeds of $3,150. The net gain resulting from the sale (after transaction costs of $68) amounted to $1,192.

7. Other Assets

	As at September 30, **2018**	As at December 31, **2017**
	$	$
Prepaid expenses	5,064	1,175
Deposits	499	505
Total	**5,563**	**1,680**

8. Receivables

	As at September 30, **2018**	As at December 31, **2017**
	$	$
Rents receivable	2,277	2,721
Provision for doubtful accounts	(491)	(460)
Net rents receivable	1,786	2,261
Unbilled recoveries(1)	162	457
Other receivables	1,575	894
Balance of sale	—	600
Total	**3,523**	**4,212**

(1) At December 31, 2017 unbilled credits amounting to $521 are included in Trade and other payables.

For the nine-month periods ended September 30, 2018 and 2017
(Unaudited - in thousands of CAD dollars, except per unit amounts)

9. Mortgage Loans Payable

Mortgage loans payable are secured by immovable hypothecs on investment properties having a fair value of approximately $817,348 as at September 30, 2018 (December 31, 2017 – $738,360).

	As at September 30, **2018**	As at December 31, **2017**
	$	$
Fixed rate mortgage loans payable	367,539	344,313
Floating rate mortgage loans payable	102,747	86,290
Unamortized fair value assumption adjustments	892	710
Unamortized financing costs	(2,850)	(2,931)
Mortgage loans payable	**468,328**	**428,382**
Weighted average interest rate	3.89%	3.72%
Weighted average term to maturity (years)	5.50	6.36
Range of annual rates	2.77% - 6.80%	2.00% - 6.80%

As at September 30, 2018, the mortgage loan scheduled repayments are as follows:

	Scheduled repayments	**Principal maturity**	**Total**
	$	$	$
2018*	3,422	24,011	27,433
2019	11,211	62,042	73,253
2020	11,028	44,313	55,341
2021	10,255	33,687	43,942
2022	8,662	58,563	67,225
Thereafter	45,593	157,499	203,092
	90,171	**380,115**	**470,286**
Unamortized fair value assumption adjustments			892
Unamortized financing costs			(2,850)
			468,328

* For the three-month period remaining

For the nine-month periods ended September 30, 2018 and 2017
(Unaudited - in thousands of CAD dollars, except per unit amounts)

The Trust may enter into floating-for-fixed interest rate swap agreements on floating interest rate mortgages to hedge the variability in cash flows attributed to fluctuating interest rates. The Trust does not apply hedge accounting to such cash flow hedging relationships (see note 12). The following table presents relevant information on interest rate swap agreements:

Transaction date	Original principal amount	Effective fixed interest rate	Settlement basis	Maturity date	Outstanding amount	
					As at September 30, **2018**	As at December 31, **2017**
	$	%			$	$
March 2013	7,150	4.02	Monthly	April 2023	5,754	5,963
June 2016	13,000	3.45	Quarterly	June 2026	12,151	12,412
November 2017	23,200	3.8825	Monthly	November 2027	23,200	23,200
November 2017	23,075	3.905	Monthly	December 2027	22,658	23,075
Total	**66,425**				**63,763**	**64,650**

10. Convertible Debentures

As at September 30, 2018, the Trust had two series of subordinated, convertible, redeemable debentures outstanding.

	Capital	Interest rates		Unit conversion price	Interest payments	Maturity
		Coupon	Effective			
		%	%	$		
Series E	23,000	6.90	7.90	6.15	Semi-annual	March 2020
Series F	26,700	7.15	8.47	5.65	Semi-annual	December 2020

The components of the subordinated convertible debentures on the issue date were allocated as follows:

	Series E	Series F
	$	$
Non-derivative liability component	22,690	26,700
Conversion and redemption options liability component	310	—
	23,000	**26,700**

(Unaudited - in thousands of CAD dollars, except per unit amounts)

The accretion of the non-derivative liability component of the subordinated convertible debentures, which increases as of the initial allocation on the issuance date to the final amount repayable, is recorded under finance costs. The conversion and redemption options liability component is measured at fair value.

	Series E	Series F	Total
	$	$	$
As at September 30, 2018			
Non-derivative liability component upon issuance	22,690	26,700	49,390
Accretion of non-derivative liability component	231		231
	22,921	26,700	49,621
Unamortized financing costs	(324)	(718)	(1,042)
Non-derivative liability component	**22,597**	**25,982**	**48,579**
Conversion and redemption options liability component at fair value	**(23)**	**(3)**	**(26)**

	Series E	Series F	Total
	$	$	$
As at December 31, 2017			
Non-derivative liability component upon issuance	22,690	26,700	49,390
Accretion of non-derivative liability component	195	—	195
	22,885	26,700	49,585
Unamortized financing costs	(473)	(929)	(1,402)
Non-derivative liability component	**22,412**	**25,771**	**48,183**
Conversion and redemption options (asset) liability component at fair value	**(4)**	**5**	**1**

Series E

In February 2013, the Trust issued Series E subordinated convertible, redeemable, unsecured debentures bearing 6.90% interest payable semi-annually and maturing in March 2020, in the amount of $23,000. The debentures are convertible at the holder's option at any time before March 2020, at a conversion price of $6.15 per unit ("Series E Conversion Price").

Until March 31, 2020, under certain conditions, the debentures will be redeemable by the Trust, in whole or in part at any time and for a redemption price equal to the principal amount thereof plus accrued and unpaid interest. The Trust may, under certain conditions, elect to satisfy its obligation to pay the principal amount of the debentures that are to be redeemed or that have matured by issuing a number of units obtained by dividing the principal amount of the debentures by 95% of the current market price on the date of redemption or maturity.

Series F

In December 2015, the Trust issued Series F subordinated convertible, redeemable, unsecured debentures bearing 7.15% interest payable semi-annually and maturing in December 2020, in the amount of $26,700. The debentures are convertible at the holder's option at any time before December 2020, at a conversion price of $5.65 per unit ("Series F Conversion Price").

(Unaudited - in thousands of CAD dollars, except per unit amounts)

These debentures are not redeemable before December 31, 2018, except in the case of a change in control. As of December 31, 2018, but before December 31, 2019, under certain conditions, the debentures will be redeemable by the Trust at a redemption price equal to their principal amount plus accrued, unpaid interest, provided that the average weighted price based on the volume of units traded on the Toronto Stock Exchange during a period of 20 consecutive trading days ending on the fifth trading day prior to the date on which an advanced notice of redemption is given (the "current market price") is at least 125% of the conversion price.

As of December 31, 2019, but before December 31, 2020, under certain conditions, the debentures will be redeemable by the Trust, in whole or in part at any time and for a redemption price equal to the principal amount thereof plus accrued and unpaid interest. The Trust may, under certain conditions, elect to satisfy its obligation to pay the principal amount of the debentures that are to be redeemed or that have matured by issuing a number of units obtained by dividing the principal amount of the debentures by 95% of the current market price on the date of redemption or maturity.

11. Bank Loans

The Trust has access to an acquisition line of credit in the amount of $19,000. This line of credit bears interest at a rate of 3.25% above the prime rate. As at September 30, 2018, $15,000 was due under the acquisition line of credit (December 31, 2017 – $16,650).

The Trust also has access to an operating credit facility for a maximum amount of $3,000. This facility bears interest at a rate of 0.75% above the prime rate. As at September 30, 2018, $900 was due under the operating credit facility (December 31, 2017 – $1,480).

The acquisition line of credit and the operating credit facility are secured by an immoveable first rank hypothec on two properties having a fair value of $4,032 and by an immoveable second rank hypothec on six properties having a fair value of $99,918.

12. Class B LP Units

	Nine-month period ended September 30, **2018**		Year ended December 31, **2017**	
	Units	$	Units	$
Units outstanding, beginning of period	—	—	—	—
Issuance of Class B LP Units - Acquisitions	532,265	2,491	—	—
Fair value adjustment	—	69	—	—
Units outstanding, end of period	**532,265**	**2,560**	—	—

The Class B LP Units are exchangeable into Units of the Trust on a one-for-one basis at any time at the option of the holder. During the three and nine-month periods ended September 30, 2018, no Class B LP Units in issue were exchanged into Trust Units.

The Class B LP Units are entitled to distributions equal to distributions declared on Units, on a one-to-one basis. Distributions on Class B LP Units are recognized in the statement of comprehensive income when declared. Monthly distributions of $0.035 per Class B LP Unit were declared during the three and nine-month periods ended September 30, 2018 (no amount for the three and nine-month periods ended September 30, 2017).

For the nine-month periods ended September 30, 2018 and 2017
(Unaudited - in thousands of CAD dollars, except per unit amounts)

13. Fair Value Measurement

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. They do not include the fair value of cash and cash equivalents, restricted cash, receivables, deposits, trade and other payables and distributions payable to unitholders, which approximated their carrying amount as at September 30, 2018 and December 31, 2017 because of their short-term maturity.

As at September 30, 2018	Carrying amount			Fair value
		Level 1	Level 2	Level 3
	$	$	$	$
Measured at fair value				
Conversion and redemption options of convertible debentures (note 10)	(26)	—	—	(26)
Interest rate swap	(3,135)	—	(3,135)	—
For which fair values are disclosed				
Mortgage loans payable (note 9)	468,328	—	458,553	—
Convertible debentures, including their conversion and redemption features (note 10)	48,553	50,667	—	—
Bank loans (note 11)	15,900	—	—	—
Class B LP Units (note 12)	2,560	2,560	—	—

As at December 31, 2017	Carrying amount			Fair value
		Level 1	Level 2	Level 3
	$	$	$	$
Measured at fair value				
Conversion and redemption options of convertible debentures (note 10)	1	—	—	1
Interest rate swap	(1,371)	—	(1,371)	—
For which fair values are disclosed				
Mortgage loans payable (note 9)	428,382	—	423,677	—
Convertible debentures, including their conversion and redemption features (note 10)	48,184	50,988	—	—
Bank loans (note 11)	18,130	—	18,130	—

The fair value of mortgage loans payable was calculated by discounting cash flows from future payments of principal and interest using the period end market rate for various loans with similar risk and credit profiles. The period end market rates have been estimated by reference to published mortgage rates by major financial institutions for similar maturities.

The fair value of convertible debentures, including their conversion and redemption features, was determined with reference to the last quoted trading price preceding the period end.

The fair value of the Class B LP Units is determined with reference to the market price of the Trust Units as at September 30, 2018.

The fair values of derivative financial instruments, which comprise the conversion and redemption options of convertible debentures and an interest rate swap, are based respectively on the partial differential equation method and the discounted future cash flows method. The assumptions used in the partial differential equation method are estimated by reference to the Trust's unit price and its volatility, and take into account the credit risk of the financial instrument. The assumptions used in the discounted future cash flows method are estimated by reference to the Canadian Dollar Offered Rate ("CDOR") forward rates.

(Unaudited - in thousands of CAD dollars, except per unit amounts)

Such fair value estimates are not necessarily indicative of the amounts the Trust might pay or receive in actual market transactions. Potential transaction costs have also not been considered in estimating fair value.

The following tables provide a reconciliation of Level 3 fair value measurements on the consolidated statements of financial position:

	Conversion and redemption options of convertible debentures
	$
Nine-month period ended September 30, 2018	
Balance beginning of period	21
Change for the period recognized in profit and loss under Net adjustment to fair value of derivative financial instruments	(47)
Balance end of period	**(26)**

	Conversion and redemption options of convertible debentures
	$
Year ended December 31, 2017	
Balance beginning of year	7
Change for the year recognized in profit and loss under Net adjustment to fair value of derivative financial instruments	(6)
Balance end of year	**1**

The following table provides a sensitivity analysis for the volatility applied in fair value measurement of the conversion and redemption options of convertible debentures at September 30, 2018:

	Conversion and redemption options of convertible debentures	Volatility
	$	%
Volatility sensitivity		
Increase (decrease)		
(0.50%)	(31)	11.24%
September 30, 2018	(26)	11.74%
0.50%	34	12.24%

As shown in the sensitivity analysis above, the fair value of the conversion and redemption options of convertible debentures is impacted by a change in the volatility used in the valuation model. Generally, an increase in the volatility, other things being equal, will result in an increase in fair value of the conversion and redemption options of convertible debentures and vice-versa. In some cases, when the fair value of the redemption option component is increasing more than the fair value of the conversion option component, an increase in volatility will result in a decrease in fair value of the conversion and redemption options.

(Unaudited - in thousands of CAD dollars, except per unit amounts)

14. Unit-based Compensation

(a) Unit option plan

The Trust may grant options to its trustees, senior officers, investor relations consultants, and technical consultants. The maximum number of units reserved for issuance under the unit option plan is limited to 10% of the total number of issued and outstanding units. The trustees set the exercise price at the time that the units are granted under the plan; the exercise price may not be less than the discounted market price of the units as determined under the policies of the Toronto Stock Exchange on the date of grant. The options have a minimum term of five years as of the grant date and vest over a period of up to 18 months.

No options were outstanding as at September 30, 2018 and December 31, 2017.

(b) Deferred unit compensation plan for trustees and certain executive officers

The Trust offers a deferred unit compensation plan for its trustees and certain executive officers. Under this plan, the trustees and certain executive officers may elect to receive as compensation either cash, deferred units, or a combination of both.

The following table presents relevant information on changes in the number of deferred units:

For the nine-month periods ended September 30,	2018	2017
	Deferred units	Deferred units
Outstanding, beginning of period	12,330	4,233
Trustees' compensation	20,058	5,536
Distributions paid in units	1,755	421
Outstanding, end of period	**34,143**	**10,190**

As at September 30, 2018, the liability related to the plan was $164 (December 31, 2017 - $57). The related expense recorded in profit and loss amounted to $108 for the nine-month period ended September 30, 2018 (for the nine-month period ended September 30, 2017 - $20).

(c) Employee unit purchase plan

The Trust offers an optional employee unit purchase plan to all its employees. Under this plan, the employees may contribute, each year, pursuant to a maximum of 3% to 7% of their base salary depending of their years of service with the Trust. For each two units purchased by an employee, the Trust issues one unit from treasury.

As at September 30, 2018, the liability related to the plan was $nil (December 31, 2017- $44). The related expense recorded in profit and loss amounted to $nil for the nine-month period ended September 30, 2018 (for the nine-month period ended September 30, 2017 - $1). The 9,691 units related to 2017 purchases were issued in February 2018 (9,062 units related to 2016 purchases - February 2017).

(Unaudited - in thousands of CAD dollars, except per unit amounts)

(d) Restricted unit compensation plan

The Trust offers a restricted unit compensation plan for all executive officers and key employees. Under this plan, the executive officers and key employees are eligible to receive restricted units.

The following table presents relevant information on changes in the restricted units:

For the nine-month periods ended September 30,	**2018**	**2017**
	Restricted units	Restricted units
Outstanding, beginning of period	115,628	77,673
Granted	72,819	51,990
Cancelled	(18,815)	—
Settled	(30,713)	(14,035)
Outstanding, end of period	**138,919**	**115,628**

As at September 30, 2018, the liability related to the plan was $432 (December 31, 2017 - $397). The related expense recorded in profit and loss amounted to $177 for the nine-month period ended September 30, 2018 (for the nine-month period ended September 30, 2017 - $182).

15. Trust Units Issued and Outstanding

BTB is authorized to issue an unlimited number of trust units. Each trust unit represents a single vote at any meeting of unitholders and entitles the unitholder to receive a pro rata share of all distributions. The unitholders have the right to require BTB to redeem their trust units on demand. Upon receipt of the redemption notice, all rights to and under the trust units tendered for redemption are surrendered and the holder thereof is entitled to receive a price per trust unit ("Redemption Price"), as determined by a market formula. The Redemption Price is to be paid in accordance with the conditions provided for in the Declaration of Trust. BTB trust units are considered liability instruments under IFRS because the units are redeemable at the option of the holder, however they are presented as equity in accordance with IAS 32.

In June 2018, the Trust completed a public issue of 6,250,250 units, including the over-allotment option, for total net proceeds of $27,241.

Trust units issued and outstanding are as follows:

	Nine-month period ended September 30, **2018**		Year ended December 31, **2017**	
	Units	$	Units	$
Units outstanding, beginning of period	48,423,118	244,115	42,342,373	217,816
Issue pursuant to a public issue	6,250,250	28,751	5,561,400	25,304
Unit issue costs	—	(1,510)	—	(1,341)
	54,673,368	271,356	47,903,773	241,779
Issue pursuant to the distribution reinvestment plan (a)	448,080	2,002	496,248	2,231
Issue pursuant to the employee unit purchase plan (note 14 (c))	9,691	44	9,062	42
Issue pursuant to the restricted unit compensation plan (note 14 (d))	30,713	142	14,035	63
Units outstanding, end of period	**55,161,852**	**273,544**	**48,423,118**	**244,115**

(a) Distribution reinvestment plan

BTB offers a distribution reinvestment plan for its trust unitholders. Participation in the plan is optional and under the terms of the plan, cash distributions on trust units are used to purchase additional trust units. The trust units are issued from BTB’s treasury at a price based on the volume-weighted average of the trading prices on the Toronto Stock Exchange for the last five trading days before the distribution date, less a 3% discount.

For the nine-month periods ended September 30, 2018 and 2017
(Unaudited - in thousands of CAD dollars, except per unit amounts)

(b) Distributions

	Three-month period ended September 30, 2018	Three-month period ended September 30, 2017	Nine-month period ended September 30, 2018	Nine-month period ended September 30, 2017
	$	$	$	$
Distributions to unitholders	5,787	4,482	16,220	13,407
Distributions per unit	0.105	0.105	0.315	0.315

16. Rental Revenues from Properties

	Three-month period ended September 30, 2018	Three-month period ended September 30, 2017 (restated – see note 2(f))	Nine-month period ended September 30, 2018	Nine-month period ended September 30, 2017 (restated – see note 2(f))
	$	$	$	$
Base rent and other lease generated revenues	14,044	11,478	39,881	34,157
Lease cancellation fees	1,477	—	1,477	—
Property tax and insurance recoveries	4,317	3,781	12,760	11,503
	19,938	15,259	54,118	45,660
Operating costs recoveries and other revenues	4,169	3,458	13,406	11,517
Lease incentive amortization	(1,158)	(624)	(2,615)	(1,813)
Straight-line lease adjustment	249	94	432	261
	23,098	**18,187**	**65,341**	**55,625**

17. Net Financing Costs

	Three-month period ended September 30, 2018	Three-month period ended September 30, 2017	Nine-month period ended September 30, 2018	Nine-month period ended September 30, 2017
	$	$	$	$
Financial income	(19)	(6)	(62)	(33)
Interest on mortgage loans payable	4,585	3,651	12,863	10,887
Interest on convertible debentures	874	874	2,622	2,622
Interest on bank loans	162	128	622	168
Other interest expense	36	27	130	65
Accretion of non-derivative liability component of convertible debentures	12	11	36	33
Accretion of effective interest on mortgage loans payable, convertible debentures and bank loans	256	258	780	754
Net adjustment to fair value of derivative financial instruments	(985)	(351)	(1,790)	(536)
	4,921	**4,592**	**15,200**	**13,960**

(Unaudited - in thousands of CAD dollars, except per unit amounts)

18. Net changes in fair value of investment properties, acquisitions and disposals transaction costs

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	$	$	$
Net changes in fair value of investment properties (note 3)	(776)	—	(497)	482
Business acquisition transaction costs (note 4)	—	—	(69)	—
Disposals transaction costs (note 5)	(524)	(190)	(803)	(540)
	(1,300)	(190)	**(1,369)**	**(58)**

19. Expenses by Nature

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	$	$	$
Depreciation	16	37	60	117
Employee benefits expense	986	1,437	3,064	4,385

20. Earnings per Unit

BTB's trust units being puttable financial instruments presented as equity in accordance with IAS 32 (see note 14), the Trust is not required to report a profit or loss per unit figure on its consolidated statements of comprehensive income. However, for disclosure purposes only, the Trust has determined basic earnings per unit using the same basis that would apply in accordance with IAS 33, *Earnings per Share*.

Net earnings per unit are calculated based on the weighted average number of units outstanding as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	$	$	$
Net income	5,793	4,327	16,941	12,673
Weighted average number of units outstanding – basic	55,088,713	42,661,885	51,069,501	42,541,309
Earnings per unit – basic	**0.105**	**0.10**	**0.33**	**0.30**

21. Operating Lease Income

The Trust as lessor enters into leases on its investment properties. Initial lease terms are generally between three and ten years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to terminate before the end of the lease term.

(Unaudited - in thousands of CAD dollars, except per unit amounts)

22. Operating Segments

For investment properties, discrete financial information is provided to the CEO on an aggregated investment property basis. The information provided is net rentals (including gross rent and property expenses), the change in fair value of investment properties and fair value of investment properties. The individual investment properties are aggregated into segments with similar economic characteristics. The CEO considers that this is best achieved by aggregating into retail, office, industrial and mixed use segments.

Consequently, the Trust is considered to have four operating segments, as follows:

- Retail
- Office
- Industrial
- Mixed use

	Retail	Office	Industrial	Mixed use	Total
	$	$	$	$	$
Three-month period ended September 30, 2018					
Investment properties	267,000	344,673	118,829	88,873	**819,375**
Rental revenue from properties	6,889	11,091	2,761	2,357	**23,098**
Net operating income	4,379	5,474	2,206	1,271	**13,330**
Three-month period ended September 30, 2017					
Investment properties	193,931	292,692	117,839	59,471	**663,933**
Rental revenue from properties *(restated – see note 2(f))*	5,177	8,243	2,888	1,879	**18,187**
Net operating income	3,205	3,920	1,936	983	**10,044**

	Retail	Office	Industrial	Mixed use	Total
	$	$	$	$	$
Nine-month period ended September 30, 2018					
Rental revenue from properties	19,339	32,326	7,479	6,197	**65,341**
Net operating income	11,732	15,413	5,683	3,185	**36,013**
Nine-month period ended September 30, 2017					
Rental revenue from properties *(restated – see note 2(f))*	15,115	25,362	9,173	5,975	**55,625**
Net operating income	9,032	11,551	6,226	3,125	**29,934**

For the nine-month periods ended September 30, 2018 and 2017
(Unaudited - in thousands of CAD dollars, except per unit amounts)

23. Commitments and Contingencies

(a) Operating leases as lessee

The annual future payments required under operating leases expiring between 2018 and 2070 are as follows:

	Total
	$
Within one year*	62
Beyond one year but within five years	918
Beyond five years	14,094
	15,073

* For the three-month period remaining

The related expense recorded in profit and loss amounted to $331 for the nine-month period ended September 30, 2018 (for the nine-month period ended September 30, 2017 - $177).

(b) Finance lease as lessee

The annual future payments required under finance leases expiring between 2018 and 2024 are as follows:

	As at September 30, **2018**			As at December 31, **2017**		
	Future minimum lease payments	**Interest**	**Present value of minimum lease payments**	**Future minimum lease payments**	**Interest**	**Present value of minimum lease payments**
	$	$	$	$	$	$
Within one year*	71	19	52	143	39	104
Beyond one year but within five years	496	97	399	496	97	399
Beyond five years	207	10	197	206	10	196
	774	**126**	**648**	**845**	**146**	**699**

* As at September 30, 2018, for the three-month period remaining

The present value of the minimum lease payments is recorded in Trade and other payables.

(c) Covenant

As at September 30, 2018, the Trust was in compliance with all the covenants to which it was subject except for one loan. The Trust does not meet the debt service coverage ratio, which must be at least 1.3. The balance of the loan as at September 30, 2018 was $5,754. The fair value of the mortgaged properties at the same date was $11,232. The Trust has always met the other loan provisions and has never been late on a monthly payment. The Trust has obtained a waiver from the mortgage lender maturing March 31, 2019. The breach of the covenant is due to the low occupancy rate of this property. The Trust believes that this default will be corrected in the normal course of business before March 31, 2019.

(d) Litigation

The Trust is involved in litigations and claims which arise from time to time in the normal course of business. These litigations and claims are generally covered by insurance. In the opinion of management, any liability that may arise from such contingencies will not have a significant adverse effect on the Trust's consolidated financial statements.

24. Comparatives Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

25. Subsequent Events

On October 18, 2018, the Trust announced the sale of six properties located in Sherbrooke, Québec, for total proceeds of $30.5 million which is equal to the fair value of the properties at September 30, 2018. The Trust thereby disposed of virtually all of its properties in the Sherbrooke area. The proceeds of the sale, net of brokerage fees and other transaction costs ($1.2 million), were allocated to the repayment of outstanding mortgages on the properties sold ($15 million). Of net proceeds of $14.2 million, approximately $7 million was used to repay other maturing mortgages and the balance was used to reimburse partially the acquisition line of credit.

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