

5 REASONS TO CHOOSE DURUM INDUSTRIAL REIT

1. STABLE INCOME

Holding units in an industrial REIT provides investors with a reliable and consistent stream of income through quarterly dividend payments. Distributions have the added benefit of being tax efficient, as they are paid as a targeted return of capital. To date, Durum Industrial REIT has not missed a quarterly distribution payment to investors¹.



2. INFLATION HEDGE²

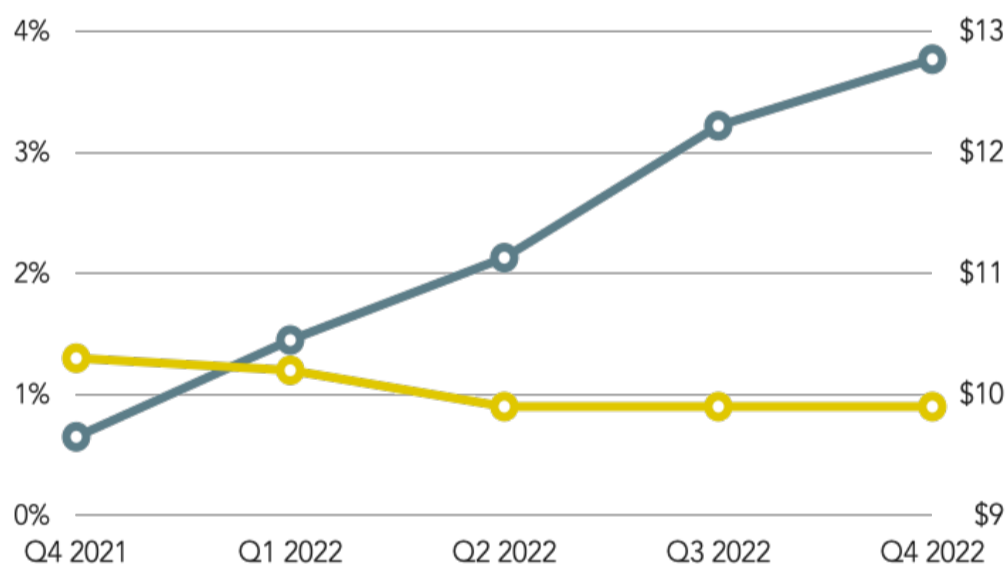
Tangible assets such as real estate are often cited as working well with inflation, making them a popular inflation-hedged investment to hold in your portfolio. When we see inflation in the marketplace, we also tend to see a positive correlation to rental rate growth in many markets. As overall prices increase, so does the value of properties as the cost to build or replace becomes more expensive. This boost in value also allows for increased equity, providing more leverage for portfolio managers in the long-term.

3. STABILITY AND PREDICTABILITY

Industrial REITs may provide investors with potential long-term gains through both capital appreciation and dividend payments, as demand for logistics and distribution space is expected to continue to grow. The Canadian Industrial asset class had a national availability rate in 2022 of only 1.6%³. Persistently tight market conditions have led to the largest industrial development cycle in Canadian history with a record 45.9 million sq. ft of new supply expected to be delivered in 2023. Even with the Canadian economy expected to slow down, leasing activity remains strong as companies look to outsource their supply chain processes and switch to e-commerce. The industrial asset class demonstrates strong fundamentals as seen in the inverse relationship between vacancy rates and rental rates below. Not to mention, typical lease terms for industrial properties are between 5 – 20 years, allowing for greater stability and predictability of rent⁵.

Industrial Fundamentals

○ Vacancy Rate ● Avg. Asking Net Rent



4. DIVERSIFICATION

Investing in an industrial REIT can continue to provide diversification benefits over time, which may help protect against market volatility and reduce overall portfolio risk. Diversification can come in many forms:



Industrial REITs may provide exposure to properties and markets that would otherwise be difficult or impossible for individual investors to access on their own. REIT structures offer the ability to invest in multiple industrial buildings without the large capital requirements and risks of owning and operating real estate personally.

Typical features of an industrial property include office space, yard space, warehousing and storage – making them appealing to a broad range of businesses looking for multi-use buildings. One large warehouse building could be sectioned into separate spaces for storage, production or office depending on the tenants' needs.

5. MANAGEMENT ALIGNMENT

Investors benefit from participation with an experienced and aligned management team. Management, Directors and Affiliates of Durum Industrial have invested over \$12 million into the Fund, and while we recognize that it is not a guarantee of returns, it is a guarantee of commitment to the long-term success of the project. Management of the portfolio and tenants is done in-house through our general manager, who has been involved with commercial real estate for over 35 years managing large portfolios.

