FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Killam Properties Inc. (the "**Corporation**")
Suite 100, 3700 Kempt Road
Halifax, NS B3K 4X8

2. Date of Material Change

November 10, 2011

3. News Release

A press release disclosing the material change was issued through Marketwire on November 10, 2011.

4. Summary of Material Change

The Corporation has entered into an agreement with a syndicate of underwriters to issue 3,256,000 common shares (the "**Shares**") to the public for $10.75 per Share for aggregate gross proceeds of $35,002,000.

5. Full Description of Material Change

On November 10, 2011, the Corporation announced that it had entered into an agreement with a syndicate of underwriters led by RBC Capital Markets (the "**Underwriters**") to issue to the public, subject to regulatory approval, 3,256,000 Shares for $10.75 per Share for aggregate gross proceeds of $35,002,000 (the "**Offering**"). In addition, the Corporation granted the Underwriters an over-allotment option for the purposes of covering the Underwriters' over-allocation position for an additional 488,400 Shares exercisable up to 30 days after closing of the Offering.

Killam intends to use the net proceeds from the Offering to fund future property acquisitions and developments, to repay certain indebtedness and for general corporate purposes.

6. Reliance on subsection 7.1(2) of NI 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For further information concerning the material change described herein, please contact Philip D. Fraser, President and Chief Executive Officer, at (902) 453-4536 or Dale Noseworthy, Director, Vice President, Investor Relations and Corporate Planning, at (902) 442-0388.

9. Date of Report

November 15, 2011.