

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

**SUN RESIDENTIAL REAL ESTATE INVESTMENT TRUST
ANNOUNCES TSXV CONDITIONAL APPROVAL AND FILING OF FILING STATEMENT FOR ITS
QUALIFYING TRANSACTION**

Toronto, Ontario (January 24, 2020) – Sun Residential Real Estate Investment Trust (“**Sun**”) (TSXV: SRES.P), a capital pool company (as such term is defined in Policy 2.4 (the “**CPC Policy**”) of the Corporate Finance Manual of the TSX Venture Exchange (“**TSXV**”)), is pleased to announce that it has received conditional approval from the TSXV for the closing of its Qualifying Transaction (as such term is defined in the CPC Policy) and that it has filed a filing statement in connection therewith.

Sun’s Qualifying Transaction involves the acquisition of a controlling interest in a Tallahassee, Florida-based multi-family residential property (the “**QT Property**”) for an aggregate purchase price of approximately US\$11.0 million (the “**Acquisition**”). The QT Property was built in 2018 and is located one mile from Southwood, a master-planned community centred around the Southwood Golf Club and the 127-acre Central Park. The QT Property comprises a total of 12 buildings having three or four floors each and a total of 288 units, with 278,664 sq ft of net rentable area. The average apartment is 968 sq ft and the average rent per unit is US\$1,209 per month. The QT Property currently has a 98.3% occupancy. The purchase price in respect of the Acquisition is expected to be satisfied in cash from the proceeds of the brokered and non-brokered private placements (as described further below).

Sun expects to close the Qualifying Transaction on or about January 28, 2020. Upon completion of the proposed Qualifying Transaction, Sun is expected to meet all the minimum listing requirements for a Tier 1 Real Estate Issuer. The filing statement is available under Sun’s profile on SEDAR at www.sedar.com.

In connection with the Acquisition, Sun expects to complete a brokered private placement of a minimum of 70,130,435 and a maximum of 102,048,130 trust units of Sun (“**Units**”) on a best-efforts agency basis at a price of C\$0.115 per Unit for gross proceeds between approximately C\$8,065,000 and C\$11,735,535. Sun has engaged Raymond James Ltd. as lead agent in respect of the brokered private placement pursuant to an amended and restated engagement letter dated November 25, 2019. Under the terms of the Engagement Letter, the agents will be entitled to an aggregate cash fee equal to 10.0% of the aggregate gross proceeds of the brokered private placement. Sun also expects to complete a non-brokered private placement of a minimum of 32,478,261 and a maximum of 93,604,044 Units at a price of C\$0.115 per Unit for gross proceeds between approximately C\$3,735,000 and C\$10,764,465 to investors identified by Sun. Closing of the brokered and non-brokered private placements is conditional upon, and is expected to occur substantially concurrently with, the closing of the Acquisition. All Units issued in connection with the brokered and non-brokered private placements are subject to a statutory four-month and one day hold period.

Following the Acquisition, Sun intends to carry on business as a real estate investment trust focused on acquiring additional multi-family residential properties located in the “Sunbelt” region of the United States. Such acquisitions may include a strategic vend-in transaction between Sun and an affiliate of Westdale Galesi Partners, LLC, the vendor in respect of the Acquisition, of a portfolio of 37 additional multi-residential real estate assets, such assets representing an aggregate of approximately 10,693 residential housing units, in a single or a series of transactions, for a purchase price which is to be based on the fair market value of such assets, payable in Units or exchangeable limited partnership units of Sun, the terms of which are and remain subject to negotiation and to the approval of, as applicable, the TSXV, securities regulators and Sun unitholders. As discussed in greater detail in the filing statement, this potential vend-in transaction is the subject of one of the buy-sell triggers pursuant to the buy-sell agreement which will be entered into between, among others, a subsidiary of Sun and Westdale Galesi Partners, LLC on the closing of the Qualifying Transaction. There can be no assurances that a definitive agreement, or any agreement at all, in respect of such a transaction will be entered into and no representation is made to that effect.

Sun's head office address is 901-1 King St. W., Toronto, Ontario M5H 1A1.

For more information please contact:

Gordon Wiebe
Chief Executive Officer
Sun Residential Real Estate Investment Trust
Email: gwiebe@corpfincapital.ca

The information in this press release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward-looking statements. Forward-looking statements in this press release include, but are not limited to, the ability of Sun to complete the Acquisition (or any future acquisitions) and the brokered and non-brokered private placements. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although Sun believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, Sun disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

Neither TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange Inc.) accepts responsibility for the adequacy or accuracy of this release.

Completion of the Acquisition and the brokered and non-brokered private placements is subject to a number of customary conditions. There can be no assurance that the Acquisition will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Acquisition and has neither approved nor disapproved the contents of this press release.

The offered Units will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons, except in certain transactions exempt from the registration requirements of the U.S. Securities Act. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, securities of Sun in the United States.