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SUN RESIDENTIAL REAL ESTATE INVESTMENT TRUST ANNOUNCES PROPOSED QUALIFYING TRANSACTION

Toronto, Ontario (November 14, 2019) – Sun Residential Real Estate Investment Trust (“**Sun**”) (TSXV: SRES.P), a capital pool company (as defined in Policy 2.4 (the “**CPC Policy**”) of the TSX Venture Exchange (the “**TSXV**”) Corporate Finance Manual), is pleased to announce that it has entered into a definitive purchase agreement dated November 14, 2019 (the “**Purchase Agreement**”) with Westdale Galesi Partners, LLC (the “**Vendor**”), an affiliate of Westdale Properties, a well-known Toronto-based real estate owner, manager and developer which buys, constructs, and rents out income-producing real estate, with a focus on leasing housing units and offices, with respect to the indirect acquisition (the “**Acquisition**”) by Sun 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. Subject to the terms and conditions of the Purchase Agreement, including the receipt of all necessary regulatory, shareholder and third-party approvals (including TSXV approvals), the Acquisition will constitute Sun’s “Qualifying Transaction” as defined in the CPC Policy.

Pursuant to the terms of the Purchase Agreement, Sun will purchase from the Vendor a 51% membership interest in Westdale Evergreen Southwood, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Vendor which purchased the QT Property (the “**Initial QT Property Acquisition**”) on October 30, 2019 from a third-party vendor for an aggregate purchase price of US\$53.6 million, which third-party vendor is arm’s length to Sun. The Vendor has funded US\$31.44 million of such purchase price pursuant to a loan facility between the Vendor and an arm’s length third party lender entered into concurrently with the Initial QT Property Acquisition. The purchase by Sun of a controlling interest in Westdale Evergreen is expected to be satisfied in cash from Sun’s existing funds and the proceeds of the Concurrent Private Placement (as defined below). The Acquisition is expected to close in Q4 2019.

Description of the QT Property

The QT Property was built in 2018 and is located in Tallahassee, Florida, 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 Vendor, a Texas limited liability company, is not a related party to Sun or any of its trustees or officers. As such, the Acquisition will not be a Non-Arm’s Length Qualifying Transaction (as that term is defined in the CPC Policy) and approval of Sun’s unitholders will not be required for the completion of the Acquisition. The principal shareholders of the Vendor are Westdale Properties America I Ltd. (a Texas-based limited partnership) and Rotterdam Ventures, Inc. (a New York-based corporation).

Financial Information of the QT Property

Audited financial information in respect of the QT Property is currently being prepared and will be disclosed once completed in the filing statement to be prepared by Sun in connection with the Acquisition.

Concurrent Private Placement

In connection with the Acquisition, Sun expects to complete a brokered private placement of a minimum of 70,130,435 and a maximum of 97,956,522 trust units of Sun (“**Sun Units**”) on a best-efforts agency basis at a price of C\$0.115 per Sun Unit for gross proceeds between approximately C\$8,065,000 and C\$11,265,000 (the “**Brokered Private Placement**”). Sun has engaged Raymond James Ltd. as lead agent in respect of the Brokered Private Placement pursuant to an engagement letter dated November

14, 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 39,434,783 Sun Units at a price of C\$0.115 per Sun Unit for gross proceeds between approximately C\$3,735,000 and C\$4,535,000 to investors identified by Sun (the “**Non-Brokered Private Placement**” and together with the “Brokered Private Placement”, the “**Concurrent Private Placement**”). Closing of the Concurrent Private Placement is conditional upon, and is expected to occur substantially concurrently with, the closing of the Acquisition.

The Concurrent Private Placement is subject to TSXV approval.

Trustees, Officers and Insiders

There will be no changes to the trustees, officers and insiders of Sun as a result of the Acquisition. The trustees, officers and insiders of Sun are Gordon Wiebe (Trustee and Chief Executive Officer), Daniel Argiros (Trustee and Chair of the Board of Trustees), Robert Goodall (Trustee), Robert C. Wetenhall (Trustee), Gordon Vollmer (Trustee) and Jeffrey Sherman (Chief Financial Officer). Additional information about the trustees, officers and insiders of Sun is contained in the amended and restated prospectus of Sun dated July 26, 2019 relating to its initial public offering, which is available under Sun’s profile on SEDAR at www.sedar.com.

General

In connection with the closing of the Acquisition and the Concurrent Private Placement, Sun will apply to meet the “Tier 1” initial listing requirements of the TSXV for a real estate issuer.

Following the Acquisition, Sun intends to carry on business as a real estate investment trust focused on multi-family residential properties located in the “Sunbelt” region of the United States.

A request will soon be made to the TSXV for a waiver of the sponsorship requirements of TSXV Policy 2.2 – *Sponsorship and Sponsorship Requirements*, but there is no assurance that such waiver will be granted.

Sun’s head office address is 199 Bay Street, Suite 5300, Commerce Court West, Toronto, Ontario M5L 1B9.

For more information please contact:

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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 the Concurrent Private Placement. 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 Concurrent Private Placement is subject to a number of conditions, including but not limited to, the TSX Venture Exchange Inc. acceptance and, if applicable pursuant to TSX Venture Exchange Inc. requirements, majority of the minority unitholder approval. Where applicable, the Acquisition cannot close until the required unitholder approval is obtained. 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 management information circular or filing statement to be prepared in connection with the Acquisition, 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 Sun 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.*