



FOR IMMEDIATE RELEASE

**SUN RESIDENTIAL REIT CONTINUES VERY GOOD RESULTS –
AND ANNOUNCES INVESTOR CONFERENCE CALL ON AUGUST 4**

Toronto, August 3, 2021 – Sun Residential Real Estate Investment Trust (TSXV: SRES) today released its financial results for the three and six months ended June 30, 2021. All amounts are in United States dollars, unless otherwise stated.

Revenue for the three months ended June 30, 2021 was \$1,189,384 (same period, prior year – \$1,165,743), net rental income was \$870,735 (prior year – \$869,457), and income before taxes for the three months was \$6,312,855 (prior year – \$635,345). Income before taxes includes a fair value increase in the investment property of \$5,815,980. Net income for the three months was \$5,543,133 (prior year – \$635,345).

Revenue for the six months ended June 30, 2021 was \$2,365,450 (same period, prior year – \$2,001,524), net rental income was \$1,735,136 (prior year – \$1,341,637), and the net income for the six months was \$6,016,928 (prior year – loss of \$158,191). Since operations commenced January 28, 2020 when Sun acquired its first property, the results for the prior year are not directly comparable since the first quarter last year included only two months of operations as well as expenses resulting from the property acquisition and establishing Sun’s corporate operations as a public company.

At June 30, 2021, Sun had total assets of \$63.0 million (December 31, 2020 – \$56.6 million), and cash and cash equivalents of \$4.0 million (December 31, 2020 – \$3.9 million). Working capital at June 30, 2021 was \$4.5 million (December 31, 2020 – \$3.8 million).

“The fair value increase in our property this quarter reflects the strong market for multi-family residential properties in the US sunbelt. Our property has performed very well and property management has been doing an outstanding job during the challenges that have arisen from the pandemic,” said Gordon Wiebe, CEO of Sun. He continued, “We are actively exploring options to grow our assets, or take steps to maximize value to our unitholders.”

Highlights (at June 30, 2021 unless otherwise noted)

- Weighted average occupancy rate – 99%.
- FFO (funds from operations) for three months ended June 30, 2021 – \$104,415 (same period, prior year – \$133,906).
- AFFO (adjusted funds from operations) for three months ended June 30, 2021 – \$95,735 (same period, prior year – \$133,906).
- Rent collection for June 2021 – approximately 99%
- Lease renewals for three months ended June 30, 2021 at an average rent increase of 3.2%.
- Net operating income margin (three months ended June 30, 2021) – 57%
- Debt to gross book value – 50%
- Net asset value (NAV) per unit – \$0.09, C\$0.11

For further information on the financial results as well as analysis of operational statistics, please refer to Sun’s unaudited interim consolidated financial statements and its management’s discussion and analysis for the three and six months ended June 30, 2021, available on SEDAR at www.sedar.com and on the Sun’s website at www.sunresreit.com.

Conference Call

Interested parties are invited to participate in a Zoom call with management on Wednesday August 4, 2021, 4:00 p.m. EDT, to review the results. (To participate or listen to the call, please click on this link: <https://us02web.zoom.us/j/81672624339?pwd=Nmhwc1gvWXRtVXBWVm52dHdOSlNYQT09>)

About Sun Residential REIT

Sun Residential Real Estate Investment Trust is an unincorporated open-ended real estate investment trust established pursuant to a declaration of trust dated January 22, 2019, as amended and restated on March 22, 2019 and November 4, 2020. The business of Sun is to acquire multi-family residential properties in the Sunbelt region of the United States. Its business operations commenced on January 28, 2020, when it completed a financing and concurrently acquired a 51% interest in a multi-family residential property comprising 12 buildings with 288 rental units as well as various amenities for tenants located in Tallahassee, Florida.

Non-IFRS Financial Measures

Weighted average occupancy rate, FFO, AFFO, rent collections, net operating income margin and debt to gross book value are key measures of performance commonly used by real estate investment trusts. They are not measures recognized under International Financial Reporting Standards (IFRS) and do not have standardized meanings prescribed by IFRS. Weighted average occupancy rate, FFO, AFFO, rent collection for June 2021, net operating income margin and debt to gross book value as calculated by Sun may not be comparable to similar measures presented by other issuers. Please refer to Sun's Management's Discussion and Analysis for the three and six months ended June 30 2021 for reconciliations to standardized IFRS measures. Net asset value (NAV) per unit is calculated as unitholders' equity divided by number of units outstanding. This is a non-GAAP measure that represents management's view of the intrinsic value of Sun. However, it is not defined by IFRS and may not be comparable to similar measures presented by other issuers.

Forward-Looking Statements

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of Sun. Forward-looking statements are identified by words such as "target", "believe", "anticipate", "expect", "plan", "will", "may", "estimate" and other similar expressions. The forward-looking statements in this news release are based on certain assumptions. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Many factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risk Factors" in Sun's management's discussion and analysis for the three and six months ended June 30 2021, and for the year ended December 31, 2020, which are available at www.sunresreit.com. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Therefore, readers should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by law, Sun assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

For further information, please contact:

Gordon Wiebe,
Chief Executive Officer
gwiebe@sunresreit.com

Jeffrey Sherman,
Chief Financial Officer
jsherman@sunresreit.com