



FOR IMMEDIATE RELEASE

SUN RESIDENTIAL REIT RELEASES SOLID SECOND QUARTER RESULTS – FIRST FULL QUARTER AFTER ACQUIRING TALLAHASSEE PROPERTY

Toronto, August 5, 2020 – Sun Residential Real Estate Investment Trust (TSXV: SRES) today released its financial results for the three and six months ended June 30, 2020. This represents the first full quarter of results since Sun completed a financing and concurrent qualifying transaction on January 28, 2020. All dollar amounts are in United States dollars.

Revenue for the three months ended June 30, 2020 was \$1,165,743, net rental income was \$869,457, and the net income and comprehensive income for the quarter was \$635,345. Revenue for the six months ended June 30, 2020 was \$2,001,524, net rental income was \$1,341,637, and the net loss for the six months was \$158,191. The year-to-date net loss resulted primarily from one-time charges associated with the acquisition during the first quarter. At June 30, 2020, Sun had total assets of \$56.7 million, and cash and cash equivalents of \$3.6 million.

“Our property is performing very well, particularly in light of the challenges presented by the COVID-19 pandemic,” said Gordon Wiebe, CEO of Sun. “This is a tribute to the dedication and effectiveness of the property manager and the excellence of the site staff, during these challenging times.”

Highlights (at June 30, 2020 unless otherwise noted)

- Weighted average occupancy rate – 96%
- FFO (funds from operations) for Q2 2020 – \$133,906
- AFFO (adjusted funds from operations) for Q2 2020 – \$114,781
- Unitholders equity – \$14,213,534
- AFFO for Q2 2020 divided by unitholders’ equity (annualized) – 3.2%
- Rent collection for Q2 2020 – over 99%
- Net operating income margin – 57.7%
- Debt to gross book value – 55.4%

During the quarter, lease renewals were at an average rent increase of 2.1% and the target for the remainder of the year is for an increase of 3.0%.

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, 2020, available on SEDAR at www.sedar.com and on the trust’s website at www.sunresreit.com.

Conference Call

Interested parties are invited to participate in a Zoom call with management on Thursday, August 6, at 4:00 p.m. EDT to discuss the results. To participate or listen to the call, please click on this link: <https://us02web.zoom.us/j/86889902004?pwd=c3A2TVVKRjdCejI3cGtKVWY2V2Y3UT09>

Alternatively, go to www.zoom.us and use the ID and passcode below.
Meeting ID: 868 8990 2004, Passcode: 470738

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, which was amended and restated on March 22, 2019. 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, AFFO divided by unitholders' equity, Rent collection for June 2020, 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, AFFO divided by unitholders' equity, Rent collection for June 2020, 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. Note that AFFO divided by unitholders' equity is calculated based upon the results of the second quarter alone which may not be representative of future returns. Please refer to Sun's Management's Discussion and Analysis for the three and six months ended June 30, 2020 for reconciliations to standardized IFRS measures.

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 months and six ended June 30, 2020, and its filing statement dated January 24, 2020, both of which are available at www.sedar.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 applicable 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.

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