



**FOR IMMEDIATE RELEASE**

**SUN RESIDENTIAL REIT REPORTS REVENUE UP 5.9% FROM PREVIOUS YEAR,  
AND DECLARES QUARTERLY DISTRIBUTION PAYABLE MARCH 28, 2024**

Toronto, February 6, 2024 – Sun Residential Real Estate Investment Trust (TSXV: SRES) today released its financial results for the three months and year ended December 31, 2023. **All amounts are in United States dollars unless otherwise noted.** “C\$” refers to Canadian dollars.

Revenue for the year ended December 31, 2023 was \$5,780,485, an increase of 5.9% compared with the same period in the prior year. Net rental income was \$3,050,656 (prior year - \$3,000,721), and net loss and comprehensive loss for the year \$8,548,041, which includes an investment property valuation adjustment of \$11,648,437.

Revenue for the three months ended December 31, 2023, was \$1,443,032, an increase of 2.2% compared with the same period in the prior year. Net rental income was \$57,684 (prior year - \$213,697), and net loss and comprehensive loss for the three months was a loss of \$989,852, which includes an investment property valuation adjustment of \$892,258.

At December 31, 2023, Sun had total assets of \$64.3 million (December 31, 2022 – \$75.6 million), and cash and cash equivalents of \$3.8 million (December 31, 2022 – \$4.7 million). Working capital at December 31, 2023, was \$3.7 million (December 31, 2022 – \$4.6 million).

“Occupancy at Evergreen at Southwood, our flagship property in Tallahassee, has been improving after some softness during the fall, and today stands at 93%,” said Robert C. Wetenhall Jr., Chief Executive Officer. “Permitting has been completed for our Cape Coral property, and we are expecting construction to be completed during the first half of 2024.”

**Additional highlights** (at December 31, 2023 or for the three months then ended, unless otherwise noted)

- Weighted average occupancy for the quarter – 91% (Occupancy at year-end – 93%)
- Net operating income margin – 49%
- FFO (funds from operations) for the three months ended December 31, 2023 – \$150,707 (December 31, 2022 - \$180,078).
- FFO (funds from operations) for the year ended December 31, 2023 – \$725,241 (December 31, 2022 - \$600,689).
- AFFO (adjusted funds from operations) for the three months ended December 31, 2023 – \$142,479 (December 31, 2022 - \$33,192).
- AFFO (adjusted funds from operations) for the year ended December 31, 2023 – \$637,361 (December 31, 2022 - \$355,952).
- Quarterly distribution paid December 29, 2023, corresponds to 95% of FFO, and 100% of AFFO.
- Debt to gross book value – 49%
- NAV (net asset value) per unit - \$0.087 (C\$0.114)

A reconciliation to non-IFRS measures is set out below. For further information on the financial results as well as analysis of operational statistics, please refer to Sun's consolidated financial statements and its management's discussion and analysis for the year ended December 31, 2023, available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on Sun's website at [www.sunresreit.com](http://www.sunresreit.com).

## Quarterly distribution

The Board of Trustees has approved a regular quarterly distribution of C\$0.00095 (0.095 Canadian cents) per unit. This distribution will be paid March 28, 2024 to unitholders of record as of the close of business on March 13, 2024, and represents an annual rate of C\$0.0038 (0.38 Canadian cents) per unit.

## Non-IFRS Financial Measures

Weighted average leased rate, FFO, AFFO, rent collection, net operating income margin, NAV per unit 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 meanings prescribed by IFRS. Weighted average leased rate, FFO, AFFO, rent collection for December 2023, net operating income margin, NAV per unit and debt to gross book value as calculated by Sun may not be comparable to similar measures presented by other issuers. Please see the table below for reconciliations to IFRS measures.

	Three months ended		Years ended	
	December 31		December 31	
	2023	2022	2023	2022
Net income (loss) attributable to unitholders				
unitholders	\$ (430,630)	\$ 1,978,700	\$ (3,773,622)	\$ 2,482,338
<i>Adjustments to arrive at FFO</i>				
Fair value adjustment to				
income producing investment properties	916,134	(5,361,989)	11,672,313	(5,170,123)
Realty taxes not accounted for under				
IFRIC 21	653,400	570,600	-	-
Non-controlling interest	(769,072)	2,347,781	(5,719,433)	2,533,360
Fair value adjustment to				
property under development	(23,876)	-	(23,876)	
Deferred income taxes	(180,424)	645,602	(1,415,253)	751,649
Loss (gain) on foreign currency translation	(14,825)	(616)	(14,888)	3,465
Funds from operations (FFO)	150,707	180,078	725,241	600,689
<i>Adjustments to arrive at AFFO</i>				
Capital expenditures	(16,134)	(288,011)	(172,313)	(479,877)
Non-controlling interest	7,906	141,125	84,433	235,140
Adjusted funds from operations (AFFO)	\$ 142,479	\$ 33,192	\$ 637,361	\$ 355,952
Weighted average number of units	203,338,999	203,338,999	203,338,999	203,338,999
FFO per unit	\$ 0.0007	\$ 0.0009	\$ 0.0036	\$ 0.0030
AFFO per unit	\$ 0.0007	\$ 0.0002	\$ 0.0031	\$ 0.0018
Unitholder equity			\$ 17,593,803	\$ 21,801,627
NAV per unit			\$ 0.087	\$ 0.107
NAV per unit (C\$)			\$ 0.114	\$ 0.144

## **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.

### **Caution regarding forward-looking statements**

Forward-looking statements in this news release, including the timing of the development of our Cape Coral property, and elsewhere reflect Sun's current assumptions, expectations, and projections. Often, but not always, forward-looking statements can be identified by words such as "planned," "expects," "expecting," "anticipated," or "believes," or variations of such words and phrases or state that certain actions, events, or results "may," "could," "would," "might," "should," or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Sun's actual results or achievements to be materially different from those expressed or implied by the forward-looking statements. The forward-looking statements made in this news release relate only to events or information as of the date hereof. All forward-looking statements are based on assumptions that may prove to be incorrect. Furthermore, forward-looking statements are qualified in their entirety by the inherent risks, uncertainties and changes in circumstances surrounding future expectations that are difficult to predict and mostly beyond the control of Sun.

Except as specifically required by Canadian securities law, Sun undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Many factors will cause actual results to differ, perhaps materially, from results in the forward-looking statements: for a description of such factors please refer to the Management's Discussion and Analysis for the year ended December 31, 2023 available at [www.sedarplus.ca](http://www.sedarplus.ca) or at [www.sunresreit.com](http://www.sunresreit.com).

For further information, please

contact: Robert C. Wetenhall Jr.  
Chief Executive Officer  
[rwetenhall@sunresreit.com](mailto:rwetenhall@sunresreit.com)

Jeffrey D. Sherman,  
Chief Financial Officer  
[jsherman@sunresreit.com](mailto:jsherman@sunresreit.com)  
(416) 214-2228

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