



FOR IMMEDIATE RELEASE

SUN RESIDENTIAL REIT REPORTS SOLID RESULTS, ANNOUNCES INVESTOR CONFERENCE CALL ON MAY 3, AND DECLARES Q2 DISTRIBUTION PAYABLE JUNE 30, 2023

Toronto, May 2, 2023 – Sun Residential Real Estate Investment Trust (TSXV: SRES) today released its financial results for the three months ended March 31, 2023. **All amounts are in United States dollars unless otherwise noted.** “C\$” refers to Canadian dollars.

Revenue for the three months ended March 31, 2023 was \$1,395,353 an increase of 8.1% compared with the same period in the prior year. Net rental income was \$986,971, an increase of 8.6%, and net income and comprehensive income for the three months was \$524,058, an increase of 9.9%.

At March 31, 2023, Sun had total assets of \$75.6 million (December 31, 2022 – \$75.6 million), and cash and cash equivalents of \$4.4 million (December 31, 2022 – \$4.7 million). Working capital at March 31, 2023 was \$4.8 million (December 31, 2021 – \$4.6 million).

“We are pleased with our property’s performance in the first quarter and expect that consistent tailwinds in the Tallahassee market will continue supporting solid financial performance during the balance of the year,” said Robert Wetenhall, Jr., CEO of Sun. “As part of our efforts to improve the tenant experience and drive incremental cash flow, we have introduced a target capital spending program focused on systematically upgrading common areas. The multi-family market in the U.S. Sunbelt remains tentative as relatively healthy occupancy levels and rental rates are offset by sharply higher costs for insurance and the impact of rising interest rates. We expect that the reconciliation of these trends will create attractive acquisition opportunities later in the year as cap rates gradually widen.”

Additional highlights (at March 31, 2023 unless otherwise noted)

- NAV (net asset value) per unit - \$0.108 (approximately C\$0.146)
- Weighted average occupancy for the quarter – 90%.
- FFO (funds from operations) for three months ended March 31, 2023 – \$160,175, an increase of 31% from the prior year.
- AFFO (adjusted funds from operations) for three months ended March 31, 2023 – \$133,844, an increase of 15% from the prior year.
- Quarterly distribution paid March 31, 2023 corresponds to 71% of net income available to unitholders, 80% of FFO, and 106% of AFFO.
- Rent collection for March 2023 – 98%
- Net operating income margin (three months ended March 31, 2023) – 55%
- Debt to gross book value – 42%

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 period ended March 31, 2023, available on SEDAR at www.sedar.com and on Sun’s website at www.sunresreit.com.

Conference Call

Interested parties are invited to participate in a Zoom video call with management on May 3, 2023. The investor call will follow our Annual Meeting at noon EDT. Please click on the following link: <https://us02web.zoom.us/j/83623506108?pwd=MGN0U0JWcHJjY2lYUDlrSVJ4ZVd2UT09>
Meeting ID: 836 2350 6108, Passcode: 614828. If you are reading this in a printed copy, a clickable version of this link is available on Sun's website: www.sunresreit.com.

Quarterly distribution

Sun is pleased to announce that its Board of Trustees has approved a second quarterly distribution of C\$0.00095 (0.095 Canadian cents) per unit. This distribution will be paid June 30, 2023 to unitholders of record as of the close of business on June 12, 2023, and represents an annual rate of C\$0.0038 (0.38 Canadian cents) per unit. The distribution paid on March 31, 2023 corresponded to 71% of net income attributable to unitholders, 89% of FFO, and 106% of AFFO for the three months ended March 31, 2023.

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 March 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	
	March 31	
	2023	2022
Net income attributable to unitholders	\$ 201,329	\$ 169,915
<i>Adjustments to arrive at FFO</i>		
Fair value adjustment to investment properties	51,669	5,800
Realty taxes not accounted for under IFRIC 21	(217,800)	(190,200)
Non-controlling interest	81,404	90,356
Deferred income taxes	43,903	45,042
Loss (gain) on foreign currency translation	(310)	1,614
Funds from operations (FFO)	160,195	122,527
<i>Adjustments to arrive at AFFO</i>		
Capital expenditures	(51,669)	(5,800)
Non-controlling interest	25,318	2,842
Adjusted funds from operations (AFFO)	\$ 133,844	\$ 119,569
Weighted average number of units	203,338,999	203,338,999
FFO per unit	\$ 0.0008	\$ 0.0006
AFFO per unit	\$ 0.0007	\$ 0.0006
Unitholder equity	\$ 22,022,956	\$ 21,801,827
NAV per unit	\$ 0.1083	\$ 0.1072

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.

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