



FOR IMMEDIATE RELEASE

SUN RESIDENTIAL REIT DELIVERS SOLID RESULTS, AND DECLARES Q4 DISTRIBUTION PAYABLE DECEMBER 29, 2023

Toronto, October 31, 2023 – Sun Residential Real Estate Investment Trust (TSXV: SRES) today released its financial results for the three and nine months ended September 30, 2023. **All amounts are in United States dollars unless otherwise noted.** “C\$” refers to Canadian dollars.

Revenue for the three months ended September 30, 2023, was \$1,466,573, an increase of 4.5% compared with the same period in the prior year. Net rental income was \$1,017,123, an increase of 10.2%, and net loss and comprehensive loss for the three months was a loss of \$8,664,062, which includes a fair value adjustment to the investment property of \$10,658,017.

Revenue for the nine months ended September 30, 2023, was \$4,337,453, an increase of 7.2% compared with the same period in the prior year. Net rental income was \$2,992,972, an increase of 7.4%, and net loss and comprehensive loss for the nine months was \$7,558,189, which includes which includes a fair value adjustment to the investment property of \$10,756,179.

At September 30, 2023, Sun had total assets of \$65.7 million (December 31, 2022 – \$75.6 million), and cash and cash equivalents of \$3.7 million (December 31, 2022 – \$4.7 million). Working capital at September 30, 2023, was \$4.4 million (December 31, 2022 – \$4.6 million).

“Occupancy at Evergreen at Southwood, our flagship property in Tallahassee, was slightly softer during the quarter, consistent with general trends in the local market. Nonetheless, the asset continues to deliver solid financial performance and remains on track to generate consistent cash flow heading into year-end,” said Robert C. Wetenhall Jr., Chief Executive Officer. “Separately, the opening of our development project is expected in mid-2024. Recent transactions for similar multifamily properties are encouraging in terms of supporting our view that SRES will be able to create substantial value upon stabilization of the project.”

Additional highlights (at September 30, 2023 or for the three months then ended, unless otherwise noted)

- Weighted average occupancy for the quarter – 91% (Occupancy at quarter-end – 91%)
- Net operating income margin – 54%
- FFO (funds from operations) – \$207,547, an increase of 42% from the prior year.
- AFFO (adjusted funds from operations) – \$177,958 an increase of 232% from the prior year.
- Quarterly distribution paid September 29, 2023, corresponds to 69% of FFO, and 80% of AFFO.
- Debt to gross book value – 48%
- NAV (net asset value) per unit - \$0.089 (approximately C\$0.121)

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 September 30, 2023, available on SEDAR at www.sedar.com and on Sun’s website at 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 December 29, 2023 to unitholders of record as of the close of business on December 14, 2023, 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 September 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		Nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Net income (loss) attributable to unitholders				
unitholders	\$ (3,801,441)	\$ 132,718	\$ (3,342,992)	\$ 503,638
<i>Adjustments to arrive at FFO</i>				
Fair value adjustment to investment properties	10,658,017	181,714	10,756,179	191,866
Realty taxes not accounted for under IFRIC 21	(217,800)	(190,200)	(653,400)	(570,600)
Non-controlling interest	(5,115,706)	4,158	(4,950,362)	185,580
Deferred income taxes	(1,323,819)	9,922	(1,234,829)	106,047
Loss (gain) on foreign currency translation	8,296	7,898	(63)	4,081
Funds from operations (FFO)	207,547	146,210	574,533	420,612
<i>Adjustments to arrive at AFFO</i>				
Capital expenditures	(58,017)	(181,714)	(156,179)	(191,866)
Non-controlling interest	28,428	89,040	76,528	94,014
Adjusted funds from operations (AFFO)	\$ 177,958	\$ 53,536	\$ 494,882	\$ 322,760
Weighted average number of units	203,338,999	203,338,999	203,338,999	203,338,999
FFO per unit	\$ 0.0010	\$ 0.0007	\$ 0.0028	\$ 0.0021
AFFO per unit	\$ 0.0009	\$ 0.0003	\$ 0.0024	\$ 0.0016

	September 30, 2023	December 31, 2022
Unitholder equity	18,170,075	21,801,627
NAV per unit	0.089	\$ 0.107
NAV per unit (C\$)	0.121	\$ 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 the 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," "expected," "anticipated," "our view," 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 three months ended September 30, 2023 available at www.SEDAR.com or at www.sunresreit.com.

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