



FOR IMMEDIATE RELEASE

SUN RESIDENTIAL REIT REPORTS STRONG RESULTS IN Q3 – AND ANNOUNCES INVESTOR CONFERENCE CALL ON NOVEMBER 1

Toronto, October 31, 2022 – Sun Residential Real Estate Investment Trust (TSXV: SRES) today released its financial results for the three and nine months ended September 30, 2022. All amounts are in United States dollars.

Revenue for the three months ended September 30, 2022 was \$1,403,333 (same period, prior year – \$1,284,107), net rental income was \$922,962 (prior year – \$919,966), and the net income for the three months was \$357,346 (prior year – \$482,272). Revenue for the nine months ended September 30, 2022 was \$4,047,611 (same period, prior year – \$3,649,557), net rental income was \$2,787,024 (prior year – \$2,655,102), and the net income for the nine months was \$1,364,037 (prior year – \$6,499,200). Prior year net income reflects a fair value increase in the investment property of \$5,815,980, before taxes.

At September 30 2022, Sun had total assets of \$70.5 million (December 31, 2021 – \$69.7 million), and cash and cash equivalents of \$4.7 million (December 31, 2021 – \$4.5 million). Working capital at September 30, 2022 was \$5.3 million (December 31, 2021 – \$4.5 million).

“Our property continues to perform well,” said Gordon Wiebe, CEO of Sun. “Revenue increased 9.3% in the three months ended September 30, 2022, compared with the same period last year. We are reviewing strategic options for Sun Residential REIT going forward.”

Highlights (at September 30, 2022 unless otherwise noted)

- Weighted average leased rate – 94%.
- FFO (funds from operations) for three months ended September 30, 2022 – \$146,210, an increase of 3% from the prior year.
- AFFO (adjusted funds from operations) for three months ended September 30, 2022 – \$53,536, a decrease of 62% from the prior year, due to capital expenditures that had been deferred to the third quarter.
- Rent collection for June 2022 – approximately 99%
- Net operating income margin (three months ended September 30, 2022) – 55%
- Debt to gross book value – 45%

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 three and six months ended September 30, 2022, 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 November 1, at 4:00 p.m. EDT. Please click on the following link, or use the telephone number shown:

<https://us02web.zoom.us/j/81513024823?pwd=OVRBcGd2Qm8wSUFkdVZp0YzBYUT09>

Meeting ID: 815 1302 4823, Passcode: 292008; telephone: +1 438 809 7799

Non-IFRS Financial Measures

Weighted average leased rate, FFO, AFFO, rent collection, 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 leased rate, FFO, AFFO, rent collection for September 2022, 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 see the table below for reconciliations to standardized IFRS measures.

	Three months ended		Nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Net income attributable to unitholders	\$ 132,718	\$ 170,071	\$ 503,638	\$ 2,759,597
<i>Adjustments to arrive at FFO</i>				
Fair value adjustment to investment properties	181,714	-	191,866	(5,815,980)
Realty taxes not accounted for under IFRIC 21	(190,200)	(190,800)	(570,600)	(572,400)
Non-controlling interest	4,158	93,492	185,580	3,130,306
Deferred income taxes	9,922	66,808	106,047	850,460
Loss (gain) on foreign currency translation	7,898	2,326	4,081	(2,507)
Funds from operations (FFO)	146,210	141,897	420,612	349,476
<i>Adjustments to arrive at AFFO</i>				
Capital expenditures	(181,714)	-	(191,866)	(17,020)
Non-controlling interest	89,040	-	94,014	8,340
Adjusted funds from operations (AFFO)	\$ 53,536	\$ 141,897	\$ 322,760	\$ 340,796
Weighted average number of units	203,338,999	203,338,999	203,338,999	203,338,999
FFO per unit	0.0007	0.0007	0.0021	0.0017
AFFO per unit	0.0003	0.0007	0.0016	0.0017

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.

For further information, please contact:

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