

# STARLIGHT U.S. MULTI-FAMILY (NO. 1) CORE PLUS FUND ACQUIRES APARTMENT COMPLEX IN RALEIGH, NORTH CAROLINA AND PROVIDES COVID-19 UPDATE



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Toronto – April 30, 2020 – Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX.V: SCPO.UN) (the “Fund”) announced today that it has acquired Southpoint Crossing Apartments (“Southpoint”), a 288-unit, garden-style, multi-family property completed in 1999 and located in Raleigh, North Carolina.

Pursuant to the purchase and sale agreement effective March 10, 2020, as amended from time to time, Southpoint Acquisition LLC, an indirect wholly owned subsidiary of the Fund, purchased Southpoint unencumbered for a purchase price of US\$51.5 million. In connection with the acquisition, new financing in the amount of US\$27.0 million has been secured for a six-month term, comprised of US\$25.75 million of initial funding and US\$1.25 million of future funding for capital expenditures. Subject to certain conditions, the financing will be interest-only and will be payable at an annual rate of one-month LIBOR + 2.0%.

Southpoint consists of 13, three storey walk-up buildings on a 26.2-acre site comprised of one-bedroom, two-bedroom and three-bedroom suites. Currently, apartment suites feature a kitchen breakfast bar, large pantry closets, private patio or balcony, and walk-in closets in select suites. The bathrooms are outfitted with ceramic tile showers and vinyl flooring in select suites. Indoor amenities include a clubhouse with a 24-hour fitness centre, business centre and package locker. Outdoor amenities include a resort-style pool, poolside lounge, outdoor grilling station with picnic tables, playground, large pet park, gated community, complimentary bike exchange and direct access to a 35-kilometre pedestrian and cycling trail. Approximately 83% of the suites have been upgraded from their original condition. As part of the Fund’s business plan, Southpoint will continue to be repositioned to a modern standard with upgraded suite finishes and attractive common areas and amenity spaces. As of April 30, 2020, Southpoint’s occupancy was 96.2% and 99.9% of Southpoint’s April rent has been collected.

The Fund has retained RKW Residential (“RKW”), a well-known property management company in the United States, to property manage Southpoint. RKW currently manages properties for Starlight U.S. Multi-Family in Raleigh, North Carolina.

## **COVID-19 Update**

In response to the COVID-19 pandemic, the Fund has implemented a number of social distancing and enhanced cleaning protocols at all of its properties. The Fund’s priority is ensuring its residents are safe, while providing services, including cleaning and maintenance. The Fund has been strictly adhering to the directives from health authorities and will continue to do so.

For the month of April, the Fund has collected approximately 97.3% of rent due at its three initial properties. In addition, approximately half of one percent of April rent is subject to partial payment plans established by the Fund with the outstanding balance expected to be collected in future installments leaving only two percent of April rent uncollected. This compares favourably with United States multi-family rental collection average for April which equals approximately 89% as at April 19, 2020. In light of the uncertainty surrounding the duration and severity of the COVID-19 pandemic, it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the financial results and operations of the Fund.

## **The Fund Portfolio**

Following the acquisition of Southpoint, the Fund will have interests in and operate a portfolio comprising 1,238 multi-family suites in four core-plus, income producing apartment communities located in Tampa, Florida; Atlanta, Georgia; Nashville, Tennessee; and Raleigh, North Carolina. The Fund continues to seek opportunities to deploy the remaining approximately US\$50M of proceeds from its initial public offering.

## **About Starlight U.S. Multi-Family (No. 1) Core Plus Fund**

The Fund is a limited partnership formed under the *Limited Partnerships Act* (Ontario) for the primary purpose of indirectly acquiring, owning and operating a portfolio of income producing rental properties in the United States multi-family real estate market.

## Forward-looking Statements

This news release contains statements that may constitute forward-looking statements within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including the overall financial performance of the Fund and its properties, including the impact of COVID-19 on the business and operations of the Fund and Southpoint. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for Fund or the real estate industry are forward-looking statements. In some cases, forward-looking statements can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

The forward-looking statements in this news release involve risks and uncertainties, including those set forth in the Fund's materials filed with the Canadian securities regulatory authorities from time to time at [www.sedar.com](http://www.sedar.com). Actual results could differ materially from those projected herein. Those risks and uncertainties include, among other things, risks related to: the acquisition and financing of Southpoint; the ability to deploy the remaining proceeds from the initial public offering; the impact of COVID-19 on the Fund's portfolio, including Southpoint, as well as the impact of COVID-19 on the markets in which the Fund operates and the trading price of the Fund's listed units; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19; reliance on the Fund's manager; the expected benefits of the ownership of Southpoint; the property management of Southpoint; the experience of the Fund's officers and directors; substitutes for residential real estate rental suites; reliance on property management; competition for real property investments and tenants; and U.S. market factors.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in developing such forward-looking statements including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the overall financial performance of the Fund's portfolio including as a result of the acquisition and financing of Southpoint; the ability to deploy the remaining proceeds from the initial public offering; the impact of COVID-19 on the Fund's portfolio, including Southpoint, as well as the impact of COVID-19 on the markets in which the Fund operates and the trading price of the Fund's listed units; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19; the ability of the manager of the Fund to manage and operate the Fund's properties; the ability of the property managers selected to manage the Fund's properties; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws. Readers are cautioned against placing undue reliance on forward-looking statements. Except as required by applicable Canadian securities laws, none of the Fund or its manager undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

To learn more about the Fund, visit [www.starlightus.com](http://www.starlightus.com) or contact:

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