

Starlight U.S. Multi-Family (No. 1) Value-Add Fund To Acquire Apartment Complex In Atlanta, Georgia Resulting In Full Deployment Of Initial Public Offering Proceeds



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Toronto – **October 27, 2017** – Starlight U.S. Multi-Family (No. 1) Value-Add Fund (TSX.V: SUVA.A, SUVA.U) (the “Fund”) announced today that it has entered into an agreement to acquire a 50% interest in Landmark at Coventry Pointe (“Coventry Pointe”), a 250 unit, garden style, value-add multi-family property completed in 2002, that is located in Atlanta, Georgia. Upon the acquisition of Coventry Pointe, the Fund will have fully deployed the proceeds of its initial public offering which closed on June 16, 2017.

The remaining 50% interest in the property will be indirectly acquired by Daniel Drimmer, a Director and the Chief Executive Officer of Starlight U.S. Multi-Family (No. 1) Value-Add GP, Inc., the Fund’s general partner, and the principal of the Fund’s manager, Starlight Group Property Holdings Inc. All decision making in respect of Coventry Pointe, including day-to-day and material decisions, will be jointly made by Mr. Drimmer and the Fund through established governance practices.

“The purchase of Coventry Pointe represents the Fund’s first purchase in the high-growth Atlanta market and enhances its geographical diversification. The property has strong potential for repositioning that aligns well with the Fund’s overall strategy,” commented Evan Kirsh, the Fund’s President.

Pursuant to a purchase and sale agreement effective October 26, 2017, as may be amended from time to time, the Fund has agreed to purchase a 50% interest in Coventry Pointe unencumbered for the purchase price of US\$17.65 million. The purchase agreement contains customary representations and warranties for a transaction of this nature. Subject to the satisfaction or waiver of conditions precedent, the purchase of Coventry Pointe is scheduled to close on or about November 8, 2017.

In connection with the acquisition of Coventry Pointe, the Fund has secured new financing and will be responsible for 50% of approximately US\$27.65 million comprised of US\$24.00 million of initial funding and US\$3.65 million of future funding for capital expenditures. The new financing was secured for a three year term with two, one year extensions. Subject to certain conditions, financing will be interest-only and will be payable at an annual rate of one-month LIBOR + 2.00%. The Fund and Mr. Drimmer have each assumed responsibility for 50% of the liabilities of Coventry Pointe.

Coventry Pointe

Coventry Pointe consists of 18, three and four storey walk-up buildings on a 35.5 acre site comprised of one-bedroom, two-bedroom and three-bedroom units. Currently, apartment units feature white raised-panel cabinets, white appliances including dishwashers and microwaves, brushed nickel and chrome hardware, vinyl flooring, and pantries in the kitchen. Bedrooms and living areas include carpet flooring, wiring for ceiling fans, crown molding, oversized walk-in closets, and porches/balconies. The bathrooms are outfitted with garden tubs, tile surrounds, and vinyl flooring. Indoor amenities include a spacious clubhouse, business centre, fitness room, and an enclosed mail centre. Outdoor amenities include a resort-quality swimming pool, two tennis courts, a dog park, a large playground with a variety of equipment, a picnic area, green space with nature paths, and a car wash station. As part of the Fund’s



business plan, Coventry Pointe will be repositioned to a modern standard with upgraded unit finishes and attractive common areas and amenity spaces, and the property's curb appeal will be improved. As of October 23, 2017, Coventry Pointe's occupancy was 94.8%.

Following completion of the acquisition, the Fund will retain The Worthing Companies ("Worthing"), to property manage Coventry Pointe. Worthing currently manages one multi-family community for Starlight U.S. Multi-Family in Atlanta, Georgia.

The Fund Portfolio

Following the acquisition of Coventry Pointe, the Fund will have interests in and operate a portfolio comprising 1,193 multi-family units in three value-add, income producing apartment communities located in Phoenix, Arizona, Atlanta, Georgia and Austin, Texas.

About Starlight U.S. Multi-Family (No. 1) Value-Add 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 diversified income-producing rental properties in the U.S. multi-family real estate market.

Forward-Looking Information

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 statements concerning the acquisition and financing of Coventry Pointe and the overall improvement of the financial performance of the Fund resulting from the acquisition of Coventry Pointe. 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. Actual results could differ materially from those projected herein. Those risks and uncertainties include, among other things, risks related to: acquisition and financing of Coventry Pointe; reliance on the Fund's manager; the expected benefits of the ownership of Coventry Pointe; the property management of Coventry Pointe; 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 improvement of the financial performance of the Fund's portfolio resulting from the acquisition and financing of Coventry Pointe; 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.

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