

# Starlight U.S. Multi-Family (No. 5) Core Fund Completes Strategic Recycling of Capital and Improves Portfolio Vintage with Acquisition in Dallas, Texas



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Toronto – **December 8, 2017** – Starlight U.S. Multi-Family (No. 5) Core Fund (TSX.V: STUS.A, STUS.U) (the “Fund”) announced today it has acquired The Callie, a 261-unit multi-family property completed in 2016 and located in Dallas, Texas at 8025 Forest Lane. The acquisition of The Callie was completed utilizing the tax-deferred proceeds from the recently announced sale of The Reserve at Jones Road, the proceeds from a recently completed refinancing and with cash on hand. The acquisition improves the average vintage of the Fund’s apartment communities and is expected to be immediately accretive.

Pursuant to purchase and sale agreements made and entered into on December 5, 2017, as amended from time to time, the Fund indirectly purchased The Callie for the purchase price of approximately US\$48.05 million. In connection with the acquisition of The Callie, financing in the amount of approximately US\$36.7 million has been assumed for an approximate three year term with two, one year extensions available. Subject to certain conditions, the financing is interest only and payable at a blended rate of approximately 4.35%.

*“The acquisition of The Callie demonstrates the Fund’s ability to execute on its business plan of utilizing the proceeds from recently completed sales to acquire replacement properties on a tax-deferred basis that will improve the vintage of the Fund’s portfolio and position the Fund to capitalize on properties with enhanced economies of scale,” commented Evan Kirsh, the Fund’s President.*

## **The Callie**

The Callie consists of two apartment buildings, one three-storey and one four-storey, on a 6.54 acre site comprised of studio, one bedroom and two bedroom units. Apartment units feature nine foot ceilings, under-mount lighting, stainless steel appliances, white quartz countertops, undermount sinks, gooseneck faucets and kitchen islands in select units. Additionally, units feature spacious walk-in closets with custom wood shelving, wood-style plank flooring in living areas and private gated yards in select units. Exterior amenities include an urban oasis pool and arbour with pavilion kitchen and grilling stations, complemented by an outdoor living room with Wi-Fi connection and an on-site dog park. Indoor amenities features a fitness centre overlooking the pool, a luxurious clubhouse with a business centre equipped with iMac stations, and both attached and detached garages. As of November 30, 2017, The Callie’s occupancy was 90.0%.

Following completion of the acquisition, the Fund retained CrestMarc Residential Inc. (“CrestMarc”) as the property manager at The Callie. CrestMarc is a boutique third-party, multi-family property manager in the United States with local experience in the Dallas area. CrestMarc is currently managing 444 units for Starlight U.S. Multi-Family in Dallas, Texas.

## **The Fund’s Portfolio**

Following the acquisition of The Callie, the Fund has interests in and operates a portfolio comprising 7,127 multi-family units in 23 recently constructed, Class “A” stabilized, income producing apartment communities with an average year of completion of 2011 and located in Arizona, Colorado, Florida, Georgia, Nevada, North Carolina, Tennessee and Texas.



## **About Starlight U.S. Multi-Family (No. 5) Core 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.

## **Securities Law**

The acquisition of The Callie constitutes a “related party transaction” under *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Fund relied on the exemptions from the formal valuation and minority approval requirements set out in subsection 5.5 (a) and paragraph 5.7 (1)(a) of MI 61-101, respectively. The Callie’s acquisition was approved by the Fund’s Board of Directors (other than Daniel Drimmer, who declared his interest in the acquisition of The Callie and was recused from voting) in accordance with the Fund’s amended and restated limited partnership agreement dated as of October 12, 2016.

## **Forward Looking Statement**

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 future financial performance of The Callie and the overall improvement of the financial performance of the Fund resulting from the acquisition of The Callie. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the 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 overall improvement of the financial performance of the Fund’s portfolio resulting from the acquisition and financing of The Callie; the financial performance of The Callie; reliance on the Fund’s manager; the expected benefits of the ownership of The Callie; the property management of The Callie; 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 The Callie; 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 multifamily 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, neither the Fund nor 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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