

# STARLIGHT U.S. MULTI-FAMILY (NO. 1) CORE PLUS FUND TO ACQUIRE CLASS “A” APARTMENT COMPLEX IN HIGH-GROWTH DENVER, COLORADO MARKET



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Toronto – **November 13, 2020** – Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX.V: SCPO.UN) (the “Fund”) announced today that it has entered into an agreement to acquire The Bluffs at Highlands Ranch (“The Bluffs”), a 340-suite, Class “A”, garden-style, core-plus multi-family property completed in 1994, located in the Metropolitan Area of Denver, Colorado.

“The purchase of The Bluffs represents the Fund’s first purchase in the Denver market and further enhances the Fund’s geographical diversification. The apartment community is well located and has excellent prospects for growth in operating income, aligning well with the Fund’s investment objectives and strategy,” commented Evan Kirsh, the Fund’s President.

Pursuant to a purchase and sale agreement effective November 13, 2020, Bluffs Acquisition LLC, a wholly owned indirect subsidiary of the Fund, has agreed to purchase The Bluffs unencumbered for approximately US\$108.5 million. The purchase agreement contains customary representations and warranties for a transaction of this nature and, subject to the satisfaction or waiver of conditions precedent, is scheduled to close on or about December 15, 2020. In connection with the acquisition, the Fund expects to draw approximately \$70.5 million from committed availability on the Fund’s credit facility which matures on November 1, 2024 and carries interest-only payments until maturity at the U.S. 30-day Secured Overnight Financing Rate + 2.35%.

Following completion of the transaction described above, the Fund anticipates it will have sufficient liquidity to acquire at least one additional partial or wholly-owned multi-family property. The Fund continues to evaluate opportunities to acquire such additional properties.

## **The Bluffs at Highlands Ranch**

The Bluffs consists of 37, three storey walk-up buildings on a 21.0-acre site comprised of one-bedroom, two-bedroom and three-bedroom suites, in addition to one two-storey clubhouse building. Currently, apartment suites feature quartz countertops with undermounted sinks, upgraded plumbing fixtures, stainless steel appliances, updated lighting and upgrades to the flooring in entryways and wet areas (kitchen and bath) for all suites and additionally in the living areas of all ground floor suites. The suites also include a built-in dry bar area, balconies for every bedroom, gas fireplaces, washers and dryers, large bedroom closets and vaulted ceilings in select suites. Indoor amenities include an expansive clubhouse, state-of-the-art fitness centre with on-demand WEXER fitness classes and Peloton bikes, media room, business centre, recreation room with a shuffleboard, racquetball court, sauna, and dog wash station. Outdoor amenities include a resort-style pool with spa and sundeck, outdoor fireplace and seating area, basketball court, tennis court, volleyball court, jogging trails, dog park, and package lockers. As part of the Fund’s business plan, The Bluffs will be further repositioned to a modern standard with additional upgrades to suite finishes, common areas and amenity spaces, and the property’s curb appeal will be improved. As of November 10, 2020, The Bluffs occupancy was 95.0%.

Upon completion of the acquisition, the Fund will retain Avenue5 Residential (“Avenue5”) to property manage The Bluffs. Avenue5 is currently the 15<sup>th</sup> largest property management company in the United States with approximately 70,000 suites under management.

## **The Fund Portfolio**

Following the acquisition of The Bluffs, the Fund will have interests in and operate a portfolio comprising 1,898 multi-family suites in six core-plus, income producing apartment communities located in Tampa, Florida; Atlanta, Georgia; Nashville, Tennessee, Raleigh, North Carolina; Austin, Texas; and Denver, Colorado.

## 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 ability to deploy the remaining proceeds from the initial public offering and the financial performance of the Fund and its properties, including the impact of COVID-19 on the business and operations of the Fund and The Bluffs. 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 The Bluffs; the ability to deploy the remaining proceeds from the initial public offering; the impact of COVID-19 on the Fund's portfolio, including The Bluffs, 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 The Bluffs; the property management of The Bluffs; 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 The Bluffs; the ability to deploy the remaining proceeds from the initial public offering; the impact of COVID-19 on the Fund's portfolio, including The Bluffs, 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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