



## FOR IMMEDIATE RELEASE

# STARLIGHT U.S. MULTI-FAMILY (NO. 3) CORE FUND CONTINUES STRONG PERFORMANCE IN THIRD QUARTER WITH 63.7% AFFO PAYOUT RATIO.

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**TORONTO, November 18, 2015** – Starlight U.S. Multi-Family (No. 3) Core Fund (TSX.V: SUS.A, SUS.U) (the “Fund”) today announced its results of operations and financial condition for the three months ended September 30, 2015 (the “Third Quarter”). All amounts in this news release are in thousands of United States currency unless otherwise stated.

### Highlights for the Third Quarter of 2015

- The Fund increased average monthly rent to \$1,126 from \$1,104 or 8% on an annualized basis during the Third Quarter, excluding its acquisition of Sorelle (see below). Rental growth since inception of the Fund has been 5.3% on an annualized basis.
- Occupancy for the portfolio was 94.6% for the Third Quarter, reduced from 95.5% for the previous three months but remained at the high end of the Fund’s targeted occupancy range.
- Net operating income (“NOI”) grew to \$2,317 for all properties compared to \$1,456 for the previous three months ended in 2014.
- Adjusted funds from operations (“AFFO”) was a conservative 63.7% for the Third Quarter and improved from the previous three months. The year to date AFFO payout ratio was 67.0%.
- Interest coverage ratio and indebtedness coverage ratio was a solid 2.83 times for the three months ended September 30, 2015 and 2.92 for the nine months ended September 30, 2015.
- The Fund’s weighted average interest rate was 2.60% as of September 30, 2015, including the new mortgage financings at Sorelle.
- The Fund recognized a \$6.0 million fair value increase on its investment properties during the nine months ended September 30, 2015 driven predominantly by NOI growth.
- The Fund acquired a 65% interest in Sorelle, a 401 suite property located in Atlanta, Georgia on September 9, 2015.



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### ***Operating Results***

During the Third Quarter, property revenues were \$4.68 million compared to \$2.78 million for the comparable period last year and NOI was \$2.32 million compared to \$1.46 million in the comparable period last year. The growth in both revenues and NOI was due to acquisitions and year over year increases in rental rates and ancillary revenue streams. Rental growth was 8% on an annualized basis for the Third Quarter and 5.3% on an annualized basis since inception of the Fund.

### ***Financial Position***

As of September 30, 2015, the Fund's gross book value was \$215.0 million and indebtedness was \$148.7 million or 69.2% of gross book value, which is within the Fund's target leverage range of 60-70%. The interest coverage ratio and indebtedness coverage ratio for the Third Quarter was solid at 2.83 times. The weighted average interest rate on the Fund's mortgages payable was 2.60% as at September 30, 2015, higher than the prior quarter due to the acquisition of Sorelle. The weighted average term to maturity was 5.6 years.

### **About Starlight U.S. Multi-Family (No. 3) 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.

For complete consolidated financial statements and management's discussion and analysis for the period, and any other information relating to the Fund, please visit [www.sedar.com](http://www.sedar.com). Further details regarding the Fund's unit performance and distributions, market conditions where the Fund's properties are located, performance by the Fund's properties and a capital investment update are also available in the Fund's September 2015 Newsletter which is available on the Fund's profile at [www.starlightus.com](http://www.starlightus.com).

### **Non-IFRS Financial Measures**

Certain terms used in this news release including NOI, AFFO, gross book value, indebtedness, interest coverage ratio and indebtedness coverage ratio are not measures defined under International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standard Board. Details on non-IFRS financial measures are set out in the Fund's management's discussion and analysis for the period available on the Fund's profile at [www.sedar.com](http://www.sedar.com).



To learn more about Starlight U.S. Multi-Family (No. 3) Core Fund, visit [www.starlightus.com](http://www.starlightus.com) or contact:

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