



**FOR IMMEDIATE RELEASE:**

**BSR REAL ESTATE INVESTMENT TRUST COMPLETES US\$135 MILLION INITIAL PUBLIC OFFERING**

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**Toronto, Ontario, May 18, 2018** – BSR Real Estate Investment Trust (the “**REIT**”) (TSX: HOM.U) announced today that it has completed its initial public offering of 13,500,000 trust units at a price of US\$10.00 per unit (the “**Offering**”). The Offering raised gross proceeds of US\$135,000,000. The units will begin trading on the Toronto Stock Exchange today under the symbol “HOM.U”.

In connection with the Offering, the REIT indirectly acquired a 48-property portfolio of multifamily garden-style residential properties (one of which is to be acquired following closing of the Offering) located across five bordering states in the Sunbelt region of the United States, being the region that stretches across the South Atlantic and Southwest portions of the country, held indirectly by BSR Trust, LLC (“**BSR**”). The net proceeds of the Offering were used by the REIT to repay approximately US\$122.3 million of indebtedness owing by BSR and to fund transaction costs associated with the Offering.

The Offering was underwritten by a syndicate of underwriters led by BMO Capital Markets, and including CIBC Capital Markets, RBC Capital Markets, Scotiabank, TD Securities Inc., National Bank Financial Inc., Raymond James Ltd., Canaccord Genuity Corp., Desjardins Securities Inc., Industrial Alliance Securities Inc. and Echelon Wealth Partners Inc. (collectively, the “**Underwriters**”). The REIT has granted to the Underwriters an over-allotment option, exercisable in whole or in part at any time up to 30 days after the closing of the Offering, to purchase up to an additional 2,025,000 units at a price of US\$10.00 per unit which, if exercised in full, would increase the total gross proceeds to US\$155,250,000. The net proceeds of the over-allotment option, to the extent exercised, will be used by the REIT for capital expenditures on the initial properties, to repay indebtedness or for future acquisitions.

On closing of the Offering, existing members of BSR retained an aggregate approximate 66% ownership interest in the REIT and will retain an aggregate approximate 63% ownership interest in the REIT if the over-allotment option is exercised (in each case, determined as if all redeemable securities are redeemed for units of the REIT). Certain of these holders are members or affiliates of the Bailey family or are members or affiliates of the Hughes family (collectively, the “**Bailey/Hughes Holders**”), who together founded BSR. The Bailey/Hughes Holders together own 17,210,733 class B units of BSR, which are economically equivalent to and redeemable for units of the REIT on a one-for-one basis, and 3,037,159 units of the REIT, together representing an aggregate approximate 51% ownership interest in the REIT, and an aggregate approximate 49% ownership interest in the REIT if the over-allotment option is exercised (in each case, determined as if all redeemable securities are redeemed for units of the REIT). Further information regarding the principal unitholders of the REIT is set out in the REIT’s final prospectus dated May 11, 2018.

The REIT intends to make its first distribution on July 16, 2018 for the period from closing of the Offering to June 30, 2018 in the amount of US\$0.0591 per unit. The REIT intends to make subsequent monthly distributions in the estimated amount of US\$0.0417 per unit commencing on or about August 15, 2018.

Goodmans LLP is acting as Canadian counsel to the REIT and Mitchell, Williams, Selig, Gates & Woodyard, PLLC is acting as U.S. counsel to the REIT. Blake, Cassels & Graydon LLP is acting as Canadian counsel for the Underwriters and Greenberg Traurig LLP is acting as U.S. counsel to the Underwriters.

No securities regulatory authority has either approved or disapproved the contents of this news release. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "**U.S. Securities Act**"), as amended, or any state securities laws, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the U.S. Securities Act). Accordingly, the securities may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

### **About BSR Real Estate Investment Trust**

BSR Real Estate Investment Trust is an internally managed, unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. Concurrent with the completion of the Offering and related transactions, the REIT has indirectly acquired interests in a portfolio of 48 multifamily garden-style residential properties consisting of 9,879 apartment units located across five bordering states in the Sunbelt region of the United States.

### **Forward-Looking Statements**

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the REIT. Forward-looking statements are identified by words such as "believe", "anticipate", "project", "expect", "intend", "plan", "will", "may", "estimate" and other similar expressions. These statements are based on the REIT's expectations, estimates, forecasts and projections and include, without limitation, statements regarding the intended monthly distributions of the REIT. The forward-looking statements in this news release are based on certain assumptions, including without limitation that the REIT will have sufficient cash to pay its distributions. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risk Factors" in the REIT's final prospectus available at [www.sedar.com](http://www.sedar.com). There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**For further information, please contact:**

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