



BSR REIT ACQUIRES TWO COMMUNITIES IN CORE TEXAS MARKETS FOR \$129 MILLION

Little Rock, AR and Toronto, ON, December 15, 2020 – BSR Real Estate Investment Trust ("BSR" or the "REIT") (TSX:HOM.U and HOM.UN) announced today that it has acquired Vale Luxury Apartments ("Vale") in the Houston, Texas metropolitan statistical area ("MSA") and Satori Frisco Apartments ("Satori Frisco") in the Dallas, Texas MSA for a total of \$129 million.

Vale is a newly constructed garden-style community consisting of 350 apartment units and is currently in the lease-up phase. The community includes multiple amenities including a resort-style swimming pool, drive-through mail kiosk, fitness center, dog park, car care center and direct garage/ground floor entry for every apartment unit. Vale is already 55.1% leased and is expected to be accretive to the REIT's adjusted funds from operations ("AFFO") on a per unit basis as lease-up continues.

Satori Frisco is a garden-style community consisting of 330 apartment units constructed in late 2019. Its features include attached direct access garages, a resort-style swimming pool, two story fitness center, car care center, dog park, granite countertops and a private access gate. Satori Frisco is currently 91.5% leased and is expected to be immediately accretive to AFFO per unit.

"The purchase of Vale and Satori Frisco is a clear example of our portfolio enhancement growth strategy and capital recycling program at work," stated John Bailey, BSR's Chief Executive Officer. "BSR recently exited the smaller Beaumont and Longview, Texas markets and also sold noncore properties in other markets. We are now using our strong liquidity position to invest in Vale and Satori Frisco, modern communities in core growth markets with the amenities our residents desire. Our ability to execute on BSR's plan to increase shareholder value has been on full display during the fourth quarter."

Since BSR completed its IPO on May 18, 2018, the portfolio's weighted average age has decreased from 29 years to 16 years old, directly attributable to the capital recycling program. The REIT's 14 acquisitions following the IPO added 4,191 apartment units with a weighted average year built of 2013 (seven years old) compared to 32 dispositions totaling 6,399 apartment units with a weighted average year built of 1988 (32 years old). Following the transactions announced today, the REIT's debt to gross book value ratio ("Debt to GBV") is 46.0% and its acquisition capacity is approximately \$175 million.

About BSR Real Estate Investment Trust

BSR Real Estate Investment Trust is an internally managed, unincorporated, and open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. The REIT owns a portfolio of multifamily garden-style residential properties located in attractive primary and secondary markets 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. The forward-looking statements in this news release are based on certain assumptions. 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 Management's Discussion and Analysis for the third quarter of 2020, dated November 10, 2020, which is available at 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.

Non-IFRS Financial Measures

AFFO and Debt to GBV are key measures of operating performance and financial position commonly used by real estate operating companies and real estate investment trusts. They are not measures recognized under International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS. AFFO or Debt to GBV as calculated by the REIT may not be comparable to similar measures presented by other issuers. Please refer to the REIT's Management's Discussion and Analysis for the three and nine month periods ended September 30, 2020 for a reconciliations of AFFO and Debt-to-GBV to standardized IFRS measures.

For further information, please contact:

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