



BSR REIT ANNOUNCES THIRD QUARTER 2024 FINANCIAL RESULTS AND EARLY REDEMPTION OF \$41.8 MILLION 5.0% CONVERTIBLE DEBENTURES

Little Rock, AR and Toronto, ON, November 7, 2024 – BSR Real Estate Investment Trust (“BSR”, or the “REIT”) (TSX: HOM.U and HOM.UN) today announced its financial results for the three and nine months ended September 30, 2024 (“Q3 2024” and “YTD 2024”, respectively). All comparisons are to the corresponding periods in the prior year. Results are presented in U.S. dollars. References to “Same Community” correspond to stabilized properties the REIT has owned for equivalent periods throughout Q3 2024 and YTD 2024 and the three and nine months ended September 30, 2023 (“Q3 2023” and “YTD 2023”, respectively). With the exception of the investment property under development, all properties are considered Same Community as of September 30, 2024. Condensed Consolidated Interim Financial Statements and Management’s Discussion and Analysis as of and for the three and nine months ended September 30, 2024 are available on the REIT’s website at www.bsrrreit.com and at www.sedarplus.ca.

A reconciliation of Funds from Operations (“FFO”) and Adjusted Funds from Operations (“AFFO”) to net income and comprehensive income, as well as an expanded discussion of the components of FFO and AFFO, and a reconciliation of Net Asset Value (“NAV”) to unitholders equity can be found under “Non-IFRS Measures” in this release. FFO per Unit, AFFO per Unit and NAV per Unit include trust units of the REIT (“Units”), Class B Units of BSR Trust, LLC (“Class B Units”) and issued deferred units of the REIT granted to trustees (“Deferred Units”).

“The REIT continues to produce expected returns as our core Texas markets effectively absorb the remnants of an unprecedented increase in new multifamily housing supply,” said Dan Oberste, the REIT’s President and Chief Executive Officer. “As we exit this phase of new supply in 2025, the REIT is well positioned to generate above-average rental growth and financial returns in future periods.”

Q3 2024 Highlights

- Same Community¹ revenue for Q3 2024 increased 0.5% over Q3 2023;
- Weighted average occupancy was 94.7% as of September 30, 2024;
- FFO per Unit¹ for Q3 2024 of \$0.23 was unchanged compared to Q3 2023;
- AFFO per Unit¹ for Q3 2024 of \$0.21 was unchanged compared to Q3 2023;
- Debt to Gross Book Value¹ as of September 30, 2024 was 46.4%;
- During Q3 2024, excluding short term leases, rental rates for new leases and renewals changed -2.5% and 2.6%, respectively, resulting in a 0.3% blended increase over the prior leases;
- In August 2024, the REIT’s Board of Trustees approved a 7.7% increase to the cash distribution beginning with the August 2024 distribution paid on September 16, 2024;
- On September 20, 2024, the REIT entered into a 90-day \$150.0 million swaption and received a cash premium of \$0.2 million, exercisable by the counterparty on December 20, 2024. If exercised, the underlying swap would be effective as of July 1, 2025 at a rate of 2.50%, maturing on July 1, 2031; and
- During Q3 2024, the REIT retired \$11.9 million of its debt with cash flows generated from operations.

Subsequent Highlight

- On November 1, 2024, the REIT entered into a new \$42.0 million interest rate swap at a fixed rate of 3.13% effective February 2, 2025 and maturing February 1, 2030, subject to the counterparty’s optional early termination date of February 2, 2026.

¹ Same Community, NOI, NOI Margin, FFO, FFO per Unit, AFFO, AFFO per Unit, AFFO Payout Ratio, Debt to Gross Book Value and NAV per Unit are non-IFRS measures. For a description of the basis of presentation and reconciliations of the REIT’s non-IFRS measures, see “Non-IFRS Measures” in this news release.

Q3 2024 Financial Summary

In thousands of U.S. dollars, except per unit amounts

	Q3 2024	Q3 2023	Change	Change %
Revenue, Total Portfolio	\$ 42,290	\$ 42,079	\$ 211	0.5%
Revenue, Same Community ¹ Properties	\$ 42,273	\$ 42,079	\$ 194	0.5%
Revenue, Non-Same Community ¹ Properties	\$ 17	\$ -	\$ 17	- %
Net loss and comprehensive loss	\$ (39,251)	\$ (79,286)	\$ 40,035	nm*
NOI ¹ , Total Portfolio	\$ 22,256	\$ 22,694	\$ (438)	-1.9%
NOI ¹ , Same Community ¹ Properties	\$ 22,411	\$ 22,694	\$ (283)	-1.2%
NOI ¹ , Non-Same Community ¹ Properties	\$ (155)	\$ -	\$ (155)	- %
Funds from Operations ("FFO") ¹	\$ 12,159	\$ 13,081	\$ (922)	-7.0%
FFO per Unit ¹	\$ 0.23	\$ 0.23	\$ -	0.0%
Maintenance capital expenditures	\$ (1,067)	\$ (1,141)	\$ 74	-6.5%
Straight line rental revenue differences	\$ 13	\$ (2)	\$ 15	nm*
AFFO ¹	\$ 11,105	\$ 11,938	\$ (833)	-7.0%
AFFO per Unit ¹	\$ 0.21	\$ 0.21	\$ -	0.0%
Weighted Average Unit Count	53,789,870	56,930,050	(3,140,180)	-5.5%
Unitholders' equity	\$ 622,198	\$ 817,661	\$ (195,463)	-23.9%
NAV ¹	\$ 907,625	\$ 1,062,395	\$ (154,770)	-14.6%
NAV per Unit ¹	\$ 16.87	\$ 18.66	\$ (1.79)	-9.6%

*Percentages have been excluded for changes which are not considered to be meaningful for comparative purposes.

¹Same Community, NOI, NOI Margin, FFO, FFO per Unit, AFFO, AFFO per Unit, AFFO Payout Ratio, Debt to Gross Book Value and NAV per Unit are non-IFRS measures. For a description of the basis of presentation and reconciliations of the REIT's non-IFRS measures, see "Non-IFRS Measures" in this news release.

Same Community revenue of \$42.3 million for Q3 2024 increased 0.5% compared to \$42.1 million for Q3 2023, primarily due to a \$0.2 million increase in other property income related to rental fees and utility reimbursements.

The net loss and comprehensive loss change between Q3 2024 and Q3 2023 is primarily due to non-cash adjustments to fair value of investment properties and derivatives and other financial liabilities from June 30, 2024 to September 30, 2024 and June 30, 2023 to September 30, 2023, respectively, and is not considered comparable period over period.

The 1.2% decrease in Same Community NOI for Q3 2024 to \$22.4 million compared to \$22.7 million in Q3 2023 was the result of an increase in property tax expenses of \$0.4 million, and lower tax refunds of \$0.1 million due to the timing of when refunds are received, partially offset by the increase in revenue described above.

The 1.9% decrease in total portfolio NOI for Q3 2024 to \$22.3 million compared to \$22.7 million in Q3 2023 was the result of the decrease in Same Community NOI described above and initial operating expenses for the property under development.

FFO was \$12.2 million, or \$0.23 per Unit, for Q3 2024 compared to \$13.1 million, or \$0.23 per Unit, for Q3 2023. The decrease in FFO was primarily the result of the decrease in total portfolio NOI described above and \$0.6 million in higher interest costs. FFO per Unit remained unchanged over the prior period as a result of the REIT's repurchase and cancellation of 3.5 million Units under its prior normal course issuer bid (the "2023 NCIB") and related automatic securities purchase plan (the "2023 ASPP") in 2023.

AFFO was \$11.1 million, or \$0.21 per Unit for Q3 2024 compared to \$11.9 million, or \$0.21 per Unit for Q3 2023. The decrease in AFFO was primarily the result of the decrease in FFO discussed above, partially offset by a \$0.1 million decrease in maintenance capital expenditures. AFFO per Unit remained unchanged over the prior period as a result of the REIT's repurchase and cancellation of 3.5 million Units under its 2023 NCIB and 2023 ASPP in 2023.

NAV was \$0.9 billion, or \$16.87 per unit, as of September 30, 2024 compared to \$1.1 billion, or \$18.66 per unit, as of September 30, 2023. The year over year decrease is primarily due to the decline in the estimated fair value of investment property values, driven by capitalization rate expansion, subsequent to September 30, 2023.

YTD 2024 Financial Summary

In thousands of U.S. dollars, except per unit amounts

	YTD 2024	YTD 2023	Change	Change %
Revenue, Total Portfolio	\$ 126,505	\$ 125,707	\$ 798	0.6%
Revenue, Same Community ¹ Properties	\$ 126,488	\$ 125,707	\$ 781	0.6%
Revenue, Non-Same Community ¹ Properties	\$ 17	\$ -	\$ 17	- %
Net loss and comprehensive loss	\$ (80,027)	\$ (141,340)	\$ 61,313	nm*
NOI ¹ , Total Portfolio	\$ 70,201	\$ 68,576	\$ 1,625	2.4%
NOI ¹ , Same Community ¹ Properties	\$ 70,356	\$ 68,576	\$ 1,780	2.6%
NOI ¹ , Non-Same Community ¹ Properties	\$ (155)	\$ -	\$ (155)	- %
FFO ¹	\$ 39,882	\$ 39,377	\$ 505	1.3%
FFO per Unit ¹	\$ 0.74	\$ 0.69	\$ 0.05	7.2%
Maintenance capital expenditures	\$ (3,181)	\$ (3,474)	\$ 293	-8.4%
Straight line rental revenue differences	\$ 5	\$ 68	\$ (63)	nm*
AFFO ¹	\$ 36,706	\$ 35,971	\$ 735	2.0%
AFFO per Unit ¹	\$ 0.68	\$ 0.63	\$ 0.05	7.9%
Weighted Average Unit Count	53,828,208	57,112,882	(3,284,674)	-5.8%

*Percentages have been excluded for changes which are not considered to be meaningful for comparative purposes.

¹Same Community, NOI, NOI Margin, FFO, FFO per Unit, AFFO, AFFO per Unit, AFFO Payout Ratio, Debt to Gross Book Value and NAV per Unit are non-IFRS measures. For a description of the basis of presentation and reconciliations of the REIT's non-IFRS measures, see "Non-IFRS Measures" in this news release.

Same Community revenue of \$126.5 million for the nine months ended September 30, 2024 ("YTD 2024") increased \$0.8 million, or 0.6%, compared to \$125.7 million for the nine months ended September 30, 2023 ("YTD 2023"), primarily due to an increase in average rental rates over the comparative period as well as \$0.4 million in other property income related to higher rental fees and utility reimbursements.

The net loss and comprehensive loss change between YTD 2024 and YTD 2023 is primarily due to non-cash adjustments to fair value of investment properties and derivatives and other financial liabilities from December 31, 2023 to September 30, 2024 and December 31, 2022 to September 30, 2023, respectively, and is not considered comparable period over period.

The 2.6% increase in Same Community NOI for YTD 2024 to \$70.4 million compared to \$68.6 million in YTD 2023 was the result of the increase in revenue described above as well as a decrease in real estate tax expense of \$1.2 million, caused by an increase in tax refunds of \$1.1 million combined with \$0.1 million in lower real estate tax assessments. These increases in NOI for YTD 2024 were partially offset by higher payroll expenses of \$0.2 million, higher renting expenses of \$0.3 million associated with new services to generate other income, and higher repair and maintenance expenses of \$0.1 million.

The 2.4% increase in total portfolio NOI for YTD 2024 to \$70.2 million compared to \$68.6 million in YTD 2023 was the result of the increase in Same Community NOI described above, partially offset by initial operating expenses for the property under development.

FFO was \$39.9 million, or \$0.74 per Unit, for YTD 2024 compared to \$39.4 million, or \$0.69 per Unit, for YTD 2023. The increase in FFO was primarily the result of the increase in Same Community NOI described above, partially offset by \$1.3 million in higher interest costs. FFO per Unit further increased as a result of the REIT's repurchase and cancellation of 3.5 million Units under its 2023 NCIB and 2023 ASPP in 2023.

AFFO was \$36.7 million, or \$0.68 per Unit, for YTD 2024 compared to \$36.0 million, or \$0.63 per Unit, for YTD 2023. The improvement in AFFO was primarily the result of the increase in FFO discussed above as well as a \$0.3 million decrease in maintenance capital expenditures due to roof replacements and balcony restoration performed in the second quarter of 2023. AFFO per Unit further increased as a result of the REIT's repurchase and cancellation of 3.5 million Units under its 2023 NCIB and 2023 ASPP in 2023.

Highlights from Recent Four Quarters

In thousands of U.S. dollars (except per unit amounts)

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Operational Information				
Number of real estate investment properties	31	31	31	31
Total apartment units	8,666	8,666	8,666	8,666
Average monthly rent on in-place leases,				
Same Community ¹ Properties	\$ 1,507	\$ 1,507	\$ 1,502	\$ 1,503
Weighted average occupancy rate	94.7%	95.3%	95.3%	95.3%
Retention rate	55.4%	54.4%	52.3%	52.7%
Debt to Gross Book Value ¹	46.4%	46.7%	46.5%	44.5%
	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Operating Results				
Revenue, Total Portfolio	\$ 42,290	\$ 42,232	\$ 41,983	\$ 42,096
Revenue, Same Community ¹ Properties	\$ 42,273	\$ 42,232	\$ 41,983	\$ 42,096
Revenue, Non-Same Community ¹ Properties	\$ 17	\$ -	\$ -	\$ -
NOI ¹ , Total Portfolio	\$ 22,256	\$ 24,106	\$ 23,839	\$ 22,838
NOI ¹ , Same Community ¹ Properties	\$ 22,411	\$ 24,106	\$ 23,839	\$ 22,838
NOI ¹ , Non-Same Community ¹ Properties	\$ (155)	\$ -	\$ -	\$ -
NOI Margin ¹ , Total Portfolio	52.6%	57.1%	56.8%	54.3%
NOI Margin ¹ , Same Community ¹ Properties	53.0%	57.1%	56.8%	54.3%
NOI Margin ¹ , Non-Same Community ¹ Properties	n/a	n/a	n/a	n/a
Net loss and comprehensive loss	\$ (39,251)	\$ (39,205)	\$ (1,571)	\$ (69,530)
Distributions on Class B Units	\$ 2,750	\$ 2,617	\$ 2,626	\$ 2,650
Fair value adjustment to investment properties	\$ (15,161)	\$ 30,683	\$ 38,718	\$ 70,987
Fair value adjustment to investment properties (IFRIC 21)	\$ 7,332	\$ 8,327	\$ (22,211)	\$ 6,603
Property tax liability adjustment, net (IFRIC 21)	\$ (7,332)	\$ (8,327)	\$ 22,211	\$ (6,603)
Fair value adjustment to derivatives and other financial liabilities	\$ 63,049	\$ 19,729	\$ (26,153)	\$ 8,790
Fair value adjustment to unit-based compensation	\$ 775	\$ 283	\$ (2)	\$ (74)
Restructuring costs	\$ -	\$ -	\$ -	\$ 263
Loss on extinguishment of debt	\$ -	\$ -	\$ -	\$ 176
Principal payments on lease liability	\$ (36)	\$ (35)	\$ (34)	\$ (33)
Depreciation of right-to-use asset	\$ 33	\$ 34	\$ 33	\$ 33
FFO ¹	\$ 12,159	\$ 14,106	\$ 13,617	\$ 13,262
FFO per Unit	\$ 0.23	\$ 0.26	\$ 0.25	\$ 0.24
Maintenance capital expenditures	\$ (1,067)	\$ (1,401)	\$ (713)	\$ (818)
Straight line rental revenue differences	\$ 13	\$ 8	\$ (16)	\$ -
AFFO ¹	\$ 11,105	\$ 12,713	\$ 12,888	\$ 12,444
AFFO per Unit ¹	\$ 0.21	\$ 0.24	\$ 0.24	\$ 0.22
AFFO Payout Ratio	65.9%	54.5%	53.9%	58.3%
Weighted Average Unit Count	53,789,870	53,838,699	53,856,476	55,799,773

¹Same Community, NOI, NOI Margin, FFO, FFO per Unit, AFFO, AFFO per Unit, AFFO Payout Ratio, Debt to Gross Book Value and NAV per Unit are non-IFRS measures. For a description of the basis of presentation and reconciliations of the REIT's non-IFRS measures, see "Non-IFRS Measures" in this news release.

Liquidity and Capital Structure

As of September 30, 2024, the REIT had liquidity of \$139.3 million, consisting of cash and cash equivalents of \$5.4 million and \$133.9 million available under its senior secured revolving credit facility (“Credit Facility”). The REIT also has the flexibility to obtain additional liquidity through adding properties to the borrowing base of the Credit Facility.

As of September 30, 2024, the REIT had total mortgage notes payable of \$457.9 million, excluding the revolving credit facility and construction loan for the investment property under development, with a weighted average contractual interest rate of 3.6% and a weighted average term to maturity of 3.6 years. In aggregate, mortgage notes payable and the revolving credit facility totaled \$757.6 million as of September 30, 2024, with a weighted average contractual interest rate of 3.7%, excluding the REIT’s convertible unsecured subordinated debentures (the “Convertible Debentures”) and the construction loan for the investment property under development. Debt to Gross Book Value as of September 30, 2024 was 46.4%. Excluding the construction loan for the investment property under development as of September 30, 2024, 100% of the REIT’s debt was fixed or economically hedged to fixed rates.

On November 5, 2024, the REIT received an option to extend \$160.0 million of mortgages maturing in September 2025 by approximately thirteen months, with no change to the interest rate and other contractual terms. The offer to extend these mortgages is subject to agreement by the REIT, as well as customary due diligence and legal requirements. Further, as of September 30, 2024, the REIT’s availability under the Credit Facility is sufficient to refinance the remaining \$48.0 million of mortgage debt maturing in the next twelve months, while also considering other refinancing options including new mortgages.

Normal Course Issuer Bid

On October 5, 2024, the REIT’s 2023 NCIB expired. Under the 2023 NCIB, the REIT was permitted to purchase up to a maximum of 3,186,336 of its issued and outstanding Units during the 12-month period ending October 5, 2024. As of September 30, 2024, the REIT purchased and cancelled 3,137,895 Units under the 2023 NCIB and 2023 ASPP at an average price of \$10.65 per Unit. The REIT suspended its 2023 ASPP in December 2023.

On November 7, 2024, the Toronto Stock Exchange (the “TSX”) accepted the REIT’s notice of intention to make a normal course issuer bid (the “2024 NCIB”) commencing on November 12, 2024 for up to a maximum of 2,856,430 of its issued and outstanding Units, or approximately 10% of the public float as of October 29, 2024, for cancellation over the 12-month period commencing November 12, 2024 through to November 11, 2025. As of October 29, 2024, the REIT had 33,418,469 Units issued and outstanding. The board of trustees of the REIT believes that purchases of Units are in the best interest of the REIT and a desirable use of the REIT’s capital. Unitholders may obtain a copy of the notice of intention, without charge, by contacting the Corporate Secretary of the REIT.

Purchases under the NCIB will be made through the facilities of the TSX and/or through alternative Canadian trading systems and in accordance with applicable regulatory requirements at a price per Unit representative of the market price at the time of acquisition. The number of Units that can be purchased pursuant to the NCIB is subject to a current daily maximum of 12,943 Units (which is equal to 25% of 51,774 Units, being the average daily trading volume during the last six months), subject to the REIT’s ability to make block purchases of Units that exceed such limits. All Units purchased under the NCIB will be cancelled upon their purchase. The REIT intends to fund the purchases out of its available resources.

Early Redemption of the Convertible Debentures

As of September 30, 2024, the REIT had outstanding Convertible Debentures valued at \$42.9 million at a contractual interest rate of 5.0%, maturing on September 30, 2025, with a conversion price of \$14.40 per Unit. The REIT has today issued a notice of redemption to the holders of its Convertible Debentures, representing a redemption in full of all of the currently issued and outstanding Convertible Debentures in the aggregate principal amount of \$41.8 million. The Convertible Debentures will be redeemed on January 3, 2025 (the “Redemption Date”), in accordance with their terms, at a total redemption price of US\$1,000 plus accrued and unpaid interest of US\$12.88 up to but excluding the Redemption Date, both per US\$1,000 principal amount. The redemption price has been determined in accordance with the provisions of the indenture dated September 3, 2020 between the REIT and TSX Trust Company (the “Indenture”). The REIT intends to satisfy the redemption price in cash. All interest on the Convertible Debentures shall cease from and after the Redemption Date.

For more information, holders of Convertible Debentures should refer to the redemption notice delivered to them. Subject to prior regulatory approval, the REIT intends to have the Convertible Debentures de-listed from the Toronto Stock Exchange following their redemption.

Distributions and Units Outstanding

Cash distributions declared to holders of Units and holders of Class B Units totalled \$7.3 million for Q3 2024, representing an AFFO Payout Ratio of 65.9%. 100% of the REIT’s cash distributions were classified as return of capital. As of September 30, 2024, the total number of Units outstanding was 33,400,425. There were also 20,114,693 Class B Units, which are redeemable for Units on a one-for-one basis, and 289,272 Deferred Units outstanding as of September 30, 2024, leaving a total non-weighted unit count of 53,804,390. These are weighted for the purpose of calculating FFO per Unit, AFFO per Unit and NAV per Unit as defined above.

2024 Earnings and Same Community Portfolio Guidance

The REIT’s 2024 guidance is outlined below for FFO per Unit and AFFO per Unit, along with its expectations for growth in Same Community Properties’ revenue, operating expenses and NOI. The guidance does not include potential acquisitions or dispositions.

The guidance for FFO per Unit and AFFO per Unit remain unchanged at \$0.96 and \$0.88; however, the REIT has revised its 2024 guidance to lower the total midpoint for Same Community total revenue growth to 0.5% from 1.0% and to lower the midpoint for Same Community NOI growth to 1.5% from 2.0% compared to the previous guidance. FFO per Unit and AFFO per Unit remained unchanged from our previous guidance due to a reduction in finance costs, partially offset by a decline in NOI related to the delay in the completion of the property under development.

Per Unit	Revised guidance for 2024	
	Range	Midpoint
Total Portfolio		
FFO per Unit	\$0.93 to \$0.99	\$0.96
AFFO per Unit	\$0.85 to \$0.91	\$0.88
Same Community Growth		
Total Revenue	0.0% to 1.0%	0.5%
Property Operating Expenses and Real Estate Taxes	(2.0%) to 0.0%	(1.0%)
NOI	0.5% to 2.5%	1.5%

Non-IFRS measures are presented to illustrate alternative relevant measures to assess the REIT's performance. See "Non-IFRS Measures" in this news release. See also "Forward-Looking Information", as the figures presented above are considered "financial outlook" for purposes of applicable Canadian securities laws and may not be appropriate for purposes other than to understand management's current expectations relating to the future growth of the REIT. Although the REIT believes that its anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information. The REIT reviews its key assumptions regularly and may change its outlook on a going-forward basis if necessary.

Conference Call

Dan Oberste, President and Chief Executive Officer, and Susan Rosenbaum, Interim Chief Financial Officer and Chief Operating Officer, will host a conference call for analysts and investors on Friday, November 8th, 2024 at 12:00 pm (ET). Participants can register and enter their phone number at: <https://emportal.ink/3Y5nurD> to receive an instant automated call back. Alternatively, they can dial 437-900-0527 or 1-888-510-2154 to reach a live operator who will join them into the call. In addition, the call will be webcast live at: <https://app.webinar.net/mw9JkV7Mnx3>

A replay of the call will be available until Friday, November 15th, 2024. To access the replay, dial 289-819-1450 or 888-660-6345 (Passcode: 85466#). A transcript of the call will be archived on the REIT's website.

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. The REIT owns a portfolio of multifamily garden-style residential properties located in attractive primary markets in the Sunbelt region of the United States.

Non-IFRS Measures

Same Community, NOI, NOI Margin, FFO, FFO per Unit, AFFO, AFFO per Unit, AFFO Payout Ratio, Debt to Gross Book Value, NAV and NAV per Unit are key measures of performance 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. Same Community, NOI, NOI Margin, FFO, FFO per Unit, AFFO, AFFO per Unit, AFFO Payout Ratio, Debt to Gross Book Value, NAV and NAV per Unit as calculated by the REIT may not be comparable to similar measures presented by other issuers. For complete definitions of these measures, as well as an explanation of their composition and how the measures provide useful information to investors, please refer to the section titled "Non-IFRS Measures" in the REIT's Management's Discussion and Analysis for the three months and year ended March 31, 2024, which section is incorporated herein by reference.

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net loss and comprehensive loss	\$ (39,251)	\$ (79,286)	\$ (80,027)	\$ (141,340)
<i>Adjustments to arrive at FFO</i>				
Distributions on Class B Units	2,750	2,663	7,993	7,996
Fair value adjustment to investment properties	(15,161)	111,080	54,240	199,411
Fair value adjustment to investment properties (IFRIC 21)	7,332	7,814	(6,552)	(6,603)
Property tax liability adjustment, net (IFRIC 21)	(7,332)	(7,814)	6,552	6,603
Fair value adjustment to derivatives and other financial liabilities	63,049	(20,913)	56,625	(27,056)
Fair value adjustment to unit-based compensation	775	(464)	1,056	363
Principal payments on lease liability	(36)	(33)	(105)	(97)
Depreciation of right-to-use asset	33	34	100	100
Funds from Operations ("FFO")	\$ 12,159	\$ 13,081	\$ 39,882	\$ 39,377
FFO per Unit	\$ 0.23	\$ 0.23	\$ 0.74	\$ 0.69
<i>Adjustments to arrive at AFFO</i>				
Maintenance capital expenditures	(1,067)	(1,141)	(3,181)	(3,474)
Straight line rental revenue differences	13	(2)	5	68
Adjusted Funds from Operations ("AFFO")	\$ 11,105	\$ 11,938	\$ 36,706	\$ 35,971
AFFO per Unit	\$ 0.21	\$ 0.21	\$ 0.68	\$ 0.63
Distributions declared	\$ 7,316	\$ 7,349	\$ 21,191	\$ 22,112
AFFO Payout Ratio	65.9%	61.6%	57.7%	61.5%
Weighted average unit count	53,789,870	56,930,050	53,828,208	57,112,882

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Total revenue	\$ 42,290	\$ 42,079	\$ 126,505	\$ 125,707
Property operating expenses	(13,017)	(12,898)	(37,043)	(36,620)
Real estate taxes	314	1,327	(25,814)	(27,114)
	29,587	30,508	63,648	61,973
Property tax liability adjustment (IFRIC 21)	(7,332)	(7,814)	6,552	6,603
Net Operating Income ("NOI")	\$ 22,255	\$ 22,694	\$ 70,200	\$ 68,576
NOI margin	52.6%	53.9%	55.5%	54.6%

	September 30, 2024	December 31, 2023
Loans and borrowings (current portion)	\$ 209,430	\$ 1,842
Loans and borrowings (non-current portion)	577,647	771,409
Convertible debentures	42,913	39,676
Total loans and borrowings and convertible debentures ("Debt")	829,990	812,927
Gross Book Value	\$ 1,789,027	\$ 1,825,914
Debt to Gross Book Value	46.4%	44.5%

	September 30, 2024	December 31, 2023
Unitholders' equity	\$ 622,198	\$ 712,401
Class B Units	285,427	240,711
NAV	\$ 907,625	\$ 953,112
Unit count, as of the end of period	53,804,390	53,828,591
NAV per Unit	\$ 16.87	\$ 17.71

Forward-Looking Statements

This news release contains forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). Forward-looking statements in this news release include, but are not limited to, statements which reflect management's expectations regarding objectives, plans, goals, strategies, future growth (including 2024 guidance for FFO, AFFO, and Same Community metrics Revenue, Property Expenses and NOI growth), results of operations, performance, business prospects, and opportunities for the REIT. The words "expects", "expectation", "anticipates", "anticipated", "believes", "will" or variations of such words and phrases identify forward-looking statements herein. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the REIT's control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include assumptions relating to the REIT's future growth potential, results of operations, demographic and industry trends, no changes in legislative or regulatory matters, the tax laws as currently in effect, a gradual recovery and growth of the general economy over 2024, the impact of COVID-19, lease renewals and rental increases, the ability to re-lease or find new tenants, the timing and ability of the REIT to sell certain properties, project costs and timing, a continuing trend toward land use intensification at reasonable costs and development yields, including residential development in urban markets, access to equity and debt capital markets to fund, at acceptable costs, future capital requirements and to enable refinancing of debts as they mature, the availability of investment opportunities for growth in the REIT's target markets, the valuations to be realized on property sales relative to current IFRS values, and the market price of the Units. When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties. The risks and uncertainties that may impact such forward-looking information include, but are not limited to, the REIT's ability to execute its growth strategies, the impact of changing conditions in the U.S. multifamily housing market, increasing competition in the U.S. multifamily housing market, the effect of fluctuations and cycles in the U.S. real estate market, the marketability and value of the REIT's portfolio, changes in the attitudes, financial condition and demand of the REIT's demographic market, fluctuation in interest rates and volatility in financial markets, developments and changes in applicable laws and regulations, the impact of climate change, the impact of COVID-19 on the operations, business and financial results of the REIT and the factors discussed under "Risks and Uncertainties" in the REIT's Management's Discussion and Analysis for the three months and year ended March 31, 2024 and in the REIT's Annual Information Form dated March 12, 2024, both of which are available on SEDAR+ (www.sedarplus.ca). If any risks or uncertainties with respect to the above materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The REIT does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. This forward-looking information speaks only as of the date of this news release.

Certain statements included in this news release, including with respect to 2024 FFO, AFFO and Same Community portfolio guidance, are considered financial outlook for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than to understand management's current expectations relating to the future growth of the REIT, as disclosed in this news release. These forward-looking statements have been approved by management to be made as at the date of this news release. Certain material factors, estimates or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in this news release and actual results could differ materially from such conclusions, forecasts or projections. There can be no assurance that actual results, performance or achievements will be consistent with these forward-looking statements. The forward-looking statements contained in this document are expressly qualified in their entirety by this cautionary statement.

For further information, please contact:

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