



NEWS RELEASE

BSR REIT Announces Second Quarter 2026 Financial Results

2026-08-12

LITTLE ROCK, Ark. and TORONTO, Aug. 12, 2026 /CNW/ -- BSR Real Estate Investment Trust ("BSR", or the "REIT") (TSX: HOM.U and HOM.UN) today announced its financial results for the three and six months ended June 30, 2026.

"Our core business remains resilient," said Dan Oberste, the REIT's President and Chief Executive Officer. "Our portfolio continued to generate steady operational and financial improvement during the quarter with total portfolio NOI and FFO advancing, total and same community occupancies improving sequentially and blended lease trade outs turning positive during the quarter. We have also been encouraged by the strong resident reception to our real estate adjacent initiatives and resident amenity programs. The mounting success of these programs reinforces our confidence in the broader value creation opportunities across our platform. The fundamentals of our business continue to strengthen, our long-term growth story remains firmly intact and today's release is part of that ramp-up."

Results of Operations

The following table summarizes highlights of the REIT's operational performance as of June 30, 2026, December 31, 2025 and June 30, 2025:

	June 30, 2026		December 31, 2025		June 30, 2025
Total Portfolio					
Number of investment properties		26		26	25
Total apartment units		7,170		7,170	6,802
Average monthly in-place leases	\$	1,490	\$	1,496	\$ 1,491
Weighted average ending occupancy rate		94.5 %		94.1 %	93.3 %
Same Community					
Average monthly in-place leases	\$	1,435	\$	1,436	\$ 1,440
Weighted average ending occupancy rate		94.6 %		94.3 %	95.6 %

Retention rate	60.1 %	59.5 %	57.4 %
Quarterly change in new lease rates	(2.4 %)		
Quarterly change in renewal rates	2.9 %		
Quarterly change in blended lease rates	0.5 %		

The following table summarizes highlights of the REIT's financial performance for the three months ended June 30, 2026 ("Q2 2026"), March 31, 2026 ("Q1 2026") and June 30, 2025 ("Q2 2025") as well as the six months ended June 30, 2026 ("YTD 2026") and June 30, 2025 ("YTD 2025"):

	Q2 2026	Q1 2026	Q2 2025	YTD 2026	YTD 2025
Revenue	\$ 34,207	\$ 33,823	\$ 33,697	\$ 68,030	\$ 77,173
Revenue, Same Community* Properties	\$ 26,380	\$ 26,288	\$ 26,638	\$ 52,668	\$ 53,340
Revenue, Non-Same Community* Properties	\$ 7,827	\$ 7,535	\$ 7,059	\$ 15,362	\$ 23,833
Net (loss) income and comprehensive (loss) income	\$ (4,337)	\$ 23,004	\$ (22,479)	\$ 18,667	\$ (63,327)
NOI*	\$ 17,936	\$ 17,605	\$ 17,850	\$ 35,541	\$ 41,880
NOI*, Same Community* Properties	\$ 13,928	\$ 14,122	\$ 14,326	\$ 28,050	\$ 29,141
NOI*, Non-Same Community* Properties	\$ 4,008	\$ 3,483	\$ 3,524	\$ 7,491	\$ 12,739
NOI Margin*	52.4 %	52.1 %	53.0 %	52.2 %	54.3 %
NOI Margin*, Same Community* Properties	52.8 %	53.7 %	53.8 %	53.3 %	54.6 %
NOI Margin*, Non-Same Community* Properties	51.2 %	46.2 %	49.9 %	48.8 %	53.5 %
FFO*	\$ 7,113	\$ 6,879	\$ 9,153	\$ 13,992	\$ 21,586
FFO per Unit*	\$ 0.18	\$ 0.18	\$ 0.21	\$ 0.36	\$ 0.44
AFFO*	\$ 5,935	\$ 6,564	\$ 8,377	\$ 12,499	\$ 20,164
AFFO per Unit*	\$ 0.15	\$ 0.17	\$ 0.19	\$ 0.32	\$ 0.41
AFFO Payout Ratio*	91.6 %	82.8 %	73.0 %	87.0 %	67.6 %
Weighted average unit count	39,131,352	39,098,938	43,951,971	39,115,235	48,901,137

*These measures are not recognized under and do not have standardized meanings prescribed by IFRS Accounting Standards. For definitions, reconciliations and the basis of presentation of the REIT's non-GAAP measures, refer to section "Non-GAAP Measures".

The following table summarizes the REIT's capitalization as of June 30, 2026, December 31, 2025 and June 30, 2025:

	June 30, 2026	December 31, 2025	June 30, 2025
Weighted average contractual interest rate of all loans and borrowings	4.1 %	4.0 %	3.8 %
Weighted average debt term of all loans and borrowings (in years) ¹	3.9	4.2	2.8
Debt to Gross Book Value*	51.7 %	51.2 %	48.9 %
NAV per Unit*	\$ 16.56	\$ 16.43	\$ 16.74

*These measures are not recognized under and do not have standardized meanings prescribed by IFRS Accounting Standards. For definitions, reconciliations and the basis of presentation of the REIT's non-GAAP measures, refer to section "Non-GAAP Measures".

Additional highlights, inclusive of material subsequent events include:

- Occupancy at The Ownsby (the "August 2025 Acquisition") increased to 91.0%;
- During July 2026, excluding short term leases, Same Community rental rates for new leases and renewals changed (0.9%) and 2.2%, respectively, resulting in a 1.0% blended change over the prior leases; and
- In August 2026, the REIT entered into a receive-variable based USD – SOFR CME / pay-fixed interest rate swap with a notional value of \$200.0 million at a fixed rate of 3.1495%, which is effective on January 4, 2027. The interest rate swap matures on September 1, 2034, subject to the

counterparty's optional early termination dates beginning on January 4, 2028, and semiannually thereafter through January 3, 2034.

Financial Summary for Q2 2026

Given the scale of the REIT's Property Acquisitions and Property Dispositions, the financial results depicted throughout this document are inherently dissimilar from the comparative period. This is due to the stabilized nature of the Property Dispositions and the overall portfolio concentration and occupancy of the Non-Same Community properties as of June 30, 2026, which includes the August 2025 Acquisition, which had an average occupancy of 81.9% during Q2 2026.

As the Property Acquisitions continue to perform through stabilization, comparisons of current performance to prior periods will become more meaningful. However, even once stabilized, there will continue to be some inherent differences when comparing to the prior year results, with the exception of metrics presented on a "per Unit" basis, given that a portion of the Contribution Transaction was recapitalized through the cancellation of 15,000,000 Class B Units.

Total portfolio revenue of \$34.2 million for Q2 2026 increased \$0.5 million, or 1.5%, compared to \$33.7 million for Q2 2025. The increase was primarily the result of \$4.0 million of revenue generated from the Property Acquisitions, partially offset by the Property Dispositions which reduced revenue by \$3.2 million and a \$0.3 million reduction from Same Community properties (discussed below). Total revenue resulting from the Property Acquisitions is expected to continue to improve in future periods as the lease-up and operational enhancements continue to progress through stabilization across the portfolio.

Sequentially, total portfolio revenue of \$34.2 million increased \$0.4 million, or 1.1%, compared to \$33.8 million for Q1 2026, primarily due to the performance of the Property Acquisitions as they progress toward initial physical stabilization.

Same Community revenue of \$26.4 million for Q2 2026 decreased \$0.3 million, or 1.0%, compared to \$26.6 million for Q2 2025, primarily due to a decrease of \$0.3 million from lower average occupancy to 94.6% as of June 30, 2026 from 95.6% as of June 30, 2025 and \$0.2 million from lower average monthly in-place rent versus the comparative period. These revenue declines were partially offset by an increase in other property income of \$0.2 million, driven by an increase in utility reimbursements and the bulk internet initiative.

Sequentially, Same Community revenue of \$26.4 million for Q2 2026 increased \$0.1 million, or 0.3%, compared to \$26.3 million for Q1 2026, primarily due to an increase of \$0.1 million from higher average occupancy to 94.6% as of June 30, 2026 from 94.3% as of March 31, 2026 as well as higher average monthly in-place rent versus the comparative period.

The following tables summarize the REIT's occupancy, average monthly rate and lease rate change, by MSA as of June 30, 2026 and 2025.

MSA	Number of Units	June 30, 2026		Occupancy Rate	June 30, 2025			
		Avg Rent Per Unit			Number of Units	Avg Rent Per Unit	Occupancy Rate	
Austin, TX	1,079	\$	1,488	95.2 %	1,079	\$	1,532	95.0 %
Dallas, TX	1,381	\$	1,490	94.6 %	1,381	\$	1,498	96.2 %
Houston, TX	2,236	\$	1,528	94.7 %	2,236	\$	1,523	96.1 %
Texas	4,696	\$	1,508	94.8 %	4,696	\$	1,518	95.9 %

Other Markets	953	\$ 1,072	93.9 %	953	\$ 1,051	94.2 %
Total Same Community	5,649	\$ 1,435	94.6 %	5,649	\$ 1,440	95.6 %
Non-Same Community	1,521	\$ 1,694	93.9 %	1,153	\$ 1,785	82.2 %
Total Portfolio	7,170	\$ 1,490	94.5 %	6,802	\$ 1,491	93.3 %

**The figures for Number of Units, Average Rent Per Unit and Occupancy Rate for Non-Same Community are presented for properties owned as of June 30, 2026 and June 30, 2025, respectively.*

MSA	Effective New Lease Rate Change for Q2 2026	Effective Renewal Lease Rate Change for Q2 2026	Effective Blended Lease Rate Change for Q2 2026
Austin, TX	(3.2 %)	1.0 %	(1.1 %)
Dallas, TX	(3.9 %)	2.6 %	(0.3 %)
Houston, TX	(1.5 %)	3.7 %	1.5 %
Other Markets	(1.0 %)	3.7 %	1.6 %
Total Same Community	(2.4 %)	2.9 %	0.5 %

The rental change rates shown for Q2 2026 are calculated as the average percentage change over the prior lease for new or renewed leases during the quarter, excluding short term leases. The weighted average monthly rent on in-place leases for the Same Community portfolio was \$1,435 per apartment unit as of June 30, 2026 compared to \$1,440 as of June 30, 2025. During Q2 2026, excluding short term leases, rental rates for new leases and renewals changed (2.4%) and 2.9% respectively, resulting in a 0.5% blended change over the prior lease rates. As the wave of supply in our core markets continues to be absorbed with minimal new product expected to be added over at least the next 24 months, management believes the general trajectory of blended rate changes should improve in the coming quarters.

The change in net income (loss) and comprehensive income (loss) between Q2 2026 and Q2 2025 is primarily due to non-cash fair value adjustments to derivatives and other financial liabilities and investment properties as well as a reduction in costs of dispositions of investment properties. As such, the net income (loss) and comprehensive income (loss) is not considered comparable period over period.

Sequentially, the change in net income (loss) and comprehensive income (loss) between Q2 2026 and Q1 2026 is primarily due to non-cash fair value adjustments to derivatives and other financial liabilities and investment properties and is not considered comparable.

Total portfolio NOI for Q2 2026 of \$17.9 million increased \$0.1 million, or 0.5%, from \$17.9 million in Q2 2025. The increase was the result of contributions by the Property Acquisitions which increased NOI by \$2.0 million, partially offset by Property Dispositions which reduced NOI by \$1.5 million and a \$0.4 million reduction from Same Community properties (discussed below).

Sequentially, total portfolio NOI for Q2 2026 of \$17.9 million increased \$0.3 million, or 1.9%, from \$17.6 million in Q1 2026. The increase was primarily the result of total portfolio revenue (discussed above) as well as a \$0.2 million increase in prior year property tax refunds received from Property Dispositions, partially offset by the decrease in Same Community NOI (discussed below).

Same Community NOI for Q2 2026 of \$13.9 million decreased \$0.4 million, or 2.8%, from \$14.3 million in Q2 2025 and was attributable to the decrease in revenue as described above of \$0.3 million and a

decrease in real estate tax refunds received of \$0.2 million, partially offset by a decrease in property insurance expenses of \$0.1 million.

Sequentially, Same Community NOI for Q2 2026 of \$13.9 million decreased \$0.2 million, or 1.4%, from \$14.1 million in Q1 2026, primarily attributable to lower prior year property tax refunds received of \$0.2 million.

The table below summarizes the REIT's revenue and NOI results, by MSA, for Q2 2026 and Q2 2025:

MSA	Q2 2026		Q2 2025		\$ Change in Revenue	\$ Change in NOI *	% Change in Revenue	% Change in NOI *
	Revenue	NOI *	Revenue	NOI *				
Austin, TX	\$ 5,303	\$ 2,699	\$ 5,490	\$ 3,246	\$ (187)	\$ (547)	(3.4 %)	(16.9 %)
Dallas, TX	\$ 6,792	\$ 3,567	\$ 6,873	\$ 3,582	\$ (81)	\$ (15)	(1.2 %)	(0.4 %)
Houston, TX	\$ 10,960	\$ 5,741	\$ 10,985	\$ 5,644	\$ (25)	\$ 97	(0.2 %)	1.7 %
Texas	\$ 23,055	\$ 12,007	\$ 23,348	\$ 12,472	\$ (293)	\$ (465)	(1.3 %)	(3.7 %)
Other Markets	\$ 3,325	\$ 1,921	\$ 3,290	\$ 1,854	\$ 35	\$ 67	1.1 %	3.6 %
Total Same Community	\$ 26,380	\$ 13,928	\$ 26,638	\$ 14,326	\$ (258)	\$ (398)	(1.0 %)	(2.8 %)
Non-Same Community	\$ 7,827	\$ 4,008	\$ 7,059	\$ 3,524	\$ 768	\$ 484	10.9 %	13.7 %
Total Portfolio	\$ 34,207	\$ 17,936	\$ 33,697	\$ 17,850	\$ 510	\$ 86	1.5 %	0.5 %

*These measures are not recognized under and do not have standardized meanings prescribed by IFRS Accounting Standards. For definitions, reconciliations and the basis of presentation of the REIT's non-GAAP measures, refer to section "Non-GAAP Measures".

FFO in Q2 2026 was \$7.1 million, or \$0.18 per Unit, compared to \$9.2 million, or \$0.21 per Unit, for Q2 2025. The decrease was related to higher finance costs of \$2.1 million which were primarily attributable to (i) rising interest rates and associated rate resets within the REIT's derivatives portfolio (weighted average swap rate increased from 2.67% to 2.92%) and (ii) higher relative leverage levels (which was primarily related to the timing of Property Acquisitions and Property Dispositions). The decrease in FFO continued to be amplified during the quarter given the initial lease-up period of the August 2025 Acquisition and the resultant relative leverage levels of the REIT following the Property Acquisitions and Property Dispositions. These dynamics should normalize throughout the remainder of 2026 as the new properties continue to perform through stabilization. The reduction in FFO was partially offset on a per Unit basis by the elimination of 15,000,000 Class B Units which were cancelled on April 30, 2025, in conjunction with the Contribution Transaction.

Sequentially, FFO in Q2 2026 was \$7.1 million, or \$0.18 per Unit, compared to \$6.9 million, or \$0.18 per Unit, for Q1 2026. The increase was primarily related to the increase in NOI described above, partially offset by higher finance costs of \$0.2 million resulting from rising interest rates and the rotation of our interest rate derivatives portfolio.

AFFO was \$5.9 million, or \$0.15 per Unit for Q2 2026 compared to \$8.4 million, or \$0.19 per Unit, for Q2 2025. The decrease in AFFO was primarily the result of the decrease in FFO as well as increases in maintenance capital expenditures of \$0.6 million, partially offset by a \$0.2 million improvement in the straight-line rental revenue adjustment related to the recognition of leaseup incentives over the life of the individual leases. In addition, the reduction in AFFO was partially offset on a per Unit basis by the elimination of 15,000,000 Class B Units discussed above.

Sequentially, AFFO was \$5.9 million, or \$0.15 per Unit, for Q2 2026 compared to \$6.6 million, or \$0.17 per Unit, for Q1 2026. The decrease in AFFO was primarily due to higher maintenance capital

expenditures of \$0.7 million resulting from the timing of projects over the course of the year, partially offset by the increase in FFO (described above).

NAV was \$648.4 million, or \$16.56 per Unit, as of June 30, 2026 compared to \$642.3 million, or \$16.43 per Unit, as of December 31, 2025.

Financial Summary for YTD 2026

Total portfolio revenue of \$68.0 million for YTD 2026 decreased \$9.1 million, or 11.8%, compared to \$77.2 million for 2025. The decrease was primarily the result of the Property Dispositions which reduced revenue by \$18.5 million and a \$0.7 million reduction from Same Community properties (discussed below), partially offset by \$10.0 million of revenue generated from the Property Acquisitions. Total revenue resulting from the Property Acquisitions is expected to continue to improve in future periods as the lease-up and operational enhancements continue to progress through stabilization across the portfolio.

Same Community revenue of \$52.7 million for YTD 2026 decreased \$0.7 million, or 1.3%, compared to \$53.3 million for YTD 2025, primarily due to a decrease of \$0.7 million from lower average occupancy and \$0.5 million from lower average monthly in-place rent versus the comparative period. These revenue declines were partially offset by an increase in other property income of \$0.5 million, driven by an increase in utility reimbursements and the bulk internet initiative.

The change in net income (loss) and comprehensive income (loss) between YTD 2026 and YTD 2025 is primarily due to non-cash fair value adjustments to derivatives and other financial liabilities and investment properties as well as a reduction in costs of dispositions of investment properties. As such, the net income (loss) and comprehensive income (loss) is not considered comparable period over period.

Total portfolio NOI for YTD 2026 of \$35.5 million decreased \$6.3 million, or 15.1%, from \$41.9 million in YTD 2025. The decrease was the result of the Property Dispositions which reduced NOI by \$10.4 million and a \$1.1 million reduction from Same Community properties (discussed below), partially offset by a contribution of \$5.2 million from Property Acquisitions.

Same Community NOI for YTD 2026 of \$28.1 million decreased \$1.1 million, or 3.7%, from \$29.1 million in YTD 2025 and was attributable to the decrease in revenue of \$0.7 million (described above), higher overhead costs and administrative expenses of

\$0.3 million, an increase in real estate taxes, net of refunds received, of \$0.3 million and an increase in utility expenses of \$0.2 million, partially offset by a decrease in property insurance expenses of \$0.3 million.

The table below summarizes the REIT's revenue and NOI results, by MSA, for YTD 2026 and YTD 2025:

MSA	YTD 2026		YTD 2025		\$ Change in Revenue	\$ Change in NOI *	% Change in Revenue	% Change in NOI *
	Revenue	NOI *	Revenue	NOI *				
Austin, TX	\$ 10,604	\$ 5,329	\$ 11,071	\$ 6,175	\$ (467)	\$ (846)	(4.2 %)	(13.7 %)
Dallas, TX	\$ 13,554	\$ 7,630	\$ 13,661	\$ 7,636	\$ (107)	\$ (6)	(0.8 %)	(0.1 %)
Houston, TX	\$ 21,936	\$ 11,345	\$ 22,055	\$ 11,563	\$ (119)	\$ (218)	(0.5 %)	(1.9 %)
Texas	\$ 46,094	\$ 24,304	\$ 46,787	\$ 25,374	\$ (693)	\$ (1,070)	(1.5 %)	(4.2 %)
Other markets	\$ 6,574	\$ 3,746	\$ 6,553	\$ 3,767	\$ 21	\$ (21)	0.3 %	(0.6 %)

Total Same Community	\$ 52,668	\$ 28,050	\$ 53,340	\$ 29,141	\$ (672)	\$ (1,091)	(1.3 %)	(3.7 %)
Non-Same Community	\$ 15,362	\$ 7,491	\$ 23,833	\$ 12,739	\$ (8,471)	\$ (5,248)	nm	nm
Total Portfolio	\$ 68,030	\$ 35,541	\$ 77,173	\$ 41,880	\$ (9,143)	\$ (6,339)	nm	nm

FFO was \$14.0 million, or \$0.36 per Unit, for YTD 2026 compared to \$21.6 million, or \$0.44 per Unit, for YTD 2025. The decrease was primarily related to the decrease in NOI described above, as well as higher finance costs of \$0.9 million and higher general and administrative expenses of \$0.4 million due to legal and professional fees and payroll expenses. The higher finance costs are primarily attributable to (i) rising interest rates and associated rate resets within the REIT's derivatives portfolio (weighted average swap rate increase from 2.67% to 2.92%) and (ii) higher relative leverage levels (which was primarily related to the timing of Property Acquisitions and Property Dispositions). The decrease in FFO was amplified during the quarter given the initial lease-up period of the August 2025 Acquisition and the resultant relative leverage levels of the REIT following the Property Acquisitions and Property Dispositions. These dynamics should normalize throughout the remainder of 2026 as the new properties continue to perform through stabilization. The reduction in FFO was partially offset on a per Unit basis by the elimination of 15,000,000 Class B Units which were cancelled on April 30, 2025, in conjunction with the Contribution Transaction.

AFFO was \$12.5 million, or \$0.32 per Unit for YTD 2026 compared to \$20.2 million, or \$0.41 per Unit, for YTD 2025. The decrease in AFFO was primarily the result of the decrease in FFO and higher maintenance capital expenditures of \$0.5 million, partially offset by a \$0.5 million change in the straight-line rental revenue adjustment related to the recognition of lease-up incentives over the life of the individual leases. In addition, the reduction in AFFO was partially offset on a per Unit basis by the elimination of 15,000,000 Class B Units discussed above.

2026 Earnings and Same Community Portfolio Guidance

The REIT's 2026 annual guidance is outlined below for FFO per Unit and AFFO per Unit, as well as year-over-year growth in Same Community revenue, property operating expenses and real estate taxes and NOI. Management has updated its full year 2026 Same Community Revenue, Property Operating Expense and Real Estate, and NOI growth guidance to the following.

Per Unit	Initial Guidance for 2026		Revised Guidance for 2026	
	Range	Midpoint	Range	Midpoint
Total Portfolio				
FFO per Unit	\$0.75 to \$0.79	\$0.77	\$0.73 to \$0.77	\$0.75
AFFO per Unit	\$0.68 to \$0.74	\$0.71	\$0.66 to \$0.71	\$0.69
Same Community Growth				
Total Revenue	0.50% to 1.50%	1.00 %	(0.75%) to 0.25%	(0.25 %)
Property Operating Expenses and Real Estate Taxes	1.00% to 2.00%	1.50 %	(1.50%) to (0.50%)	(1.00 %)
NOI	0.00% to 1.00%	0.50 %	0.00% to 1.00%	0.50 %

The REIT's Same-Community guidance has been adjusted to reflect the modestly slower pace of top-line revenue recovery and improved expense outlook. Additionally, though the August 2025 Acquisition continued to make meaningful leasing progress during the second quarter, reaching 91.0% physical occupancy at quarter end, stabilization is occurring slightly later than originally anticipated. As a result, the REIT has revised its full year FFO per Unit and AFFO per Unit guidance ranges to primarily reflect the impact of this slower leasing velocity.

Liquidity and Capital Structure

As of June 30, 2026, the REIT had liquidity of \$39.7 million, consisting of cash and cash equivalents of \$5.9 million and \$33.8 million available on the Credit Facility. The REIT can obtain additional liquidity through adding properties to the borrowing base.

The REIT's weighted average contractual interest rate on \$379.0 million mortgage notes as of June 30, 2026 was 3.7% (including interest rate swap agreements) and its weighted average term to maturity was 3.4 years. Including the Credit Facility (defined below), total loans and borrowings were \$732.2 million as of June 30, 2026, with a weighted average contractual interest rate of 4.1% (including interest rate swap agreements) and a weighted average term to maturity of 3.4 years. Debt to Gross Book Value as of June 30, 2026, was 51.7%. As of June 30, 2026, 100% of the REIT's debt was fixed or economically hedged to fixed rates.

The REIT maintains a senior secured revolving credit facility provided by various banks (the "Credit Facility") with a maximum revolving credit availability of \$500.0 million, of which \$391.9 million was available as of June 30, 2026. The Credit Facility is secured by twelve borrowing base properties. The Credit Facility matures on December 8, 2029 with a one-year extension option, at the REIT's election, to extend the maturity to December 8, 2030, subject to the satisfaction of certain conditions. The Credit Facility currently bears interest at SOFR at a selected term of one-month, three-months or six-months plus a contractual margin adjustment based on the duration selected ("Adjusted Term SOFR"), as defined in the Credit Facility agreement, plus 1.30% to 1.90% based on meeting certain leverage ratios as defined in the Credit Facility agreement. Alternatively, the REIT has the ability to borrow using the greatest of (i) lender prime rate, (ii) the Fed Funds rate plus 0.5%, or (iii) 1-month SOFR plus 1.0% (the "Base Rate") loans plus a rate equal to 0.30% to 0.90%. The balance outstanding on the Credit Facility was \$358.1 million as of June 30, 2026 and \$321.4 million as of December 31, 2025, at a variable interest rate of 5.3%, respectively.

Mortgage notes as of June 30, 2026 mature at various dates from 2027 through 2056.

Distributions and Units Outstanding

Cash distributions declared to holders of both Units and Class B Units totaled \$5.4 million for Q2 2026, representing an AFFO Payout Ratio of 91.6%. 100% of the REIT's cash distributions were classified as return of capital. As of June 30, 2026, the total number of Units outstanding was 34,030,696. There were also 4,771,146 Class B Units, which are redeemable for Units on a one-for-one basis, and 344,688 Deferred Units outstanding as of June 30, 2026, for a total non-weighted unit count of 39,146,530. These are weighted for the purpose of calculating FFO per Unit, AFFO per Unit and NAV per Unit as defined above.

On April 30, 2025, the cancellation of 15,000,000 Class B Units reduced the REIT's weighted average unit count which substantially impacts the comparability of the periods presented.

Conference Call

Dan Oberste, Chief Executive Officer, and Tom Cirbus, Chief Financial Officer, will host a conference call for analysts and investors on Thursday, August 13th, 2026 at 12:00 pm (ET). To join the conference call without operator assistance, participants can register and enter their phone number at: <https://registrations.events/easyconnect/6554329/recc9DbcNSy2nQCKm/> to receive an instant automated call back. Alternatively, they can dial 647-932-3411 or 800-715-9871 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/0Gwz5YgMgoV>.

A replay of the call will be available until Thursday, August 20th, 2026. To access the replay, dial 647-362-9199 or 800-770-2030 (Passcode: 6554329#). 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.

All comparisons are to the corresponding periods in the prior year. Results are presented in U.S. dollars. The Condensed Consolidated Interim Financial Statements and Management's Discussion and Analysis as of and for Q2 2026 are prepared in accordance with the accounting standards issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP"), and are available on the REIT's website at www.bsrreit.com and at www.sedarplus.ca.

Capitalized terms not herein defined have the meaning ascribed to them in the Management's Discussion and Analysis dated as of and for Q2 2026.

Non-GAAP Measures

"Same Community" corresponds to stabilized properties the REIT has owned for equivalent periods throughout Q2 2025. "Non-Same Community" properties include: Venue Craig Ranch Apartments, Forayna Vintage Park, Botanic Luxury Living, The Ownsby and Aura 35Fifty (collectively, the "Property Acquisitions") and Bluff Creek Apartments, Cielo I, Cielo II, Retreat at Wolf Ranch, Auberry at Twin Creeks, Aura Benbrook, Lakeway Castle Hills, Satori Frisco, Vale Frisco and Wimberly (collectively, the "Property Dispositions").

A reconciliation of Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO") to net income (loss) and comprehensive income (loss), 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 below. Calculations of 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").

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Net (loss) income and comprehensive (loss) income	\$ (4,337)	\$ (22,479)	\$ 18,667	\$ (63,327)
<i>Adjustments to arrive at FFO</i>				
Distributions on Class B Units	668	1,427	1,340	4,249
Fair value adjustment to investment properties	9,641	2,856	1,073	2,930
Real estate tax fair value adjustment under IFRIC 21	6,527	6,351	(12,366)	(16,069)
Property tax liability adjustment, net (IFRIC 21)	(6,527)	(6,351)	12,366	16,069
Fair value adjustment to derivatives and other financial liabilities	903	21,028	(6,677)	66,300
Fair value adjustment to unit-based compensation	230	27	(488)	(38)
Costs of dispositions of investment properties	--	6,294	61	11,475
Principal payments on lease liability	(22)	--	(44)	(36)
Depreciation of right-of-use asset	30	--	60	33
FFO	\$ 7,113	\$ 9,153	\$ 13,992	\$ 21,586
FFO per Unit	\$ 0.18	\$ 0.21	\$ 0.36	\$ 0.44
<i>Adjustments to arrive at AFFO</i>				
Maintenance capital expenditures	(1,243)	(669)	(1,741)	(1,218)
Straight line rental revenue differences	65	(107)	248	(204)
AFFO	\$ 5,935	\$ 8,377	\$ 12,499	\$ 20,164
AFFO per Unit	\$ 0.15	\$ 0.19	\$ 0.32	\$ 0.41
Distributions declared	\$ 5,436	\$ 6,119	\$ 10,870	\$ 13,634
AFFO Payout Ratio	91.6 %	73.0 %	87.0 %	67.6 %
Weighted average unit count	39,131,352	43,951,971	39,115,235	48,901,137

	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Total revenue	\$ 34,207	\$ 33,697	\$ 68,030	\$ 77,173
Property operating expenses	(10,399)	(10,604)	(20,691)	(23,211)
Real estate taxes	--	--	(25,421)	(30,461)
Real estate tax refunds	655	1,108	1,257	2,310
	24,463	24,201	23,175	25,811
Property tax liability adjustment, net (IFRIC 21)	(6,527)	(6,351)	12,366	16,069
NOI	\$ 17,936	\$ 17,850	\$ 35,541	\$ 41,880
NOI margin	52.4 %	53.0 %	52.2 %	54.3 %

	June 30, 2026	December 31, 2025	June 30, 2025
Loans and borrowings (current portion)	\$ 855	\$ 28,752	\$ 29,162
Loans and borrowings (non-current portion)	731,320	694,381	630,753
Total loans and borrowings	732,175	723,133	659,915
Gross Book Value	\$ 1,414,848	\$ 1,412,450	\$ 1,348,625
Debt to Gross Book Value	51.7 %	51.2 %	48.9 %

	June 30, 2026	December 31, 2025	June 30, 2025
Unitholders' equity	\$ 592,601	\$ 581,964	\$ 585,873
Class B Units	55,822	60,375	67,392
NAV	\$ 648,423	\$ 642,339	\$ 653,265
Unit count, as of the end of period	39,146,530	39,100,614	39,021,863
NAV per Unit	\$ 16.56	\$ 16.43	\$ 16.74

Forward-Looking Statements

This news release contains "forward-looking information" as defined under Canadian securities laws (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 metrics, 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 following: the intention of the REIT to pay, preserve, protect and grow Unitholders' distributions; the intention of the REIT to execute its growth strategies and achieve its growth targets; the intention of the REIT to meet its interest payment obligations; the REIT's competitive position within its industry; expectations regarding laws, rules and regulations applicable to the REIT; expectations regarding future Trustees and executive compensation levels and plans; expectations regarding tax treatment of the REIT and of the REIT's distributions to Unitholders; expectations regarding industry and demographic trends; and expectations regarding the economic environment. Such forward-looking statements are qualified in their entirety by the inherent risks, uncertainties and changes in circumstances surrounding future expectations which are difficult to predict and many of which are beyond the control of the REIT.

Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by management of the REIT as of the date of this news release, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein,

including, but not limited to, 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, stability of the general economy over the intermediate term, lease renewals and rental increases, resident leasing patterns including the ability to re-lease or find new residents, the timing and the ability of the REIT to sell and acquire 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 refinance 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 Accounting Standards carrying values, the market price of the Units, and the anticipated benefits of recent property acquisitions and dispositions.

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 are qualified in their entirety by the inherent risks, uncertainties and changes in circumstances surrounding future expectations which are difficult to predict and many of which are beyond the control of the REIT. The risks and uncertainties that may impact such forward-looking information include, but are not limited to, impediments to the REIT's ability to execute its growth strategies and operations, impediments to the REIT's ability to execute future acquisitions and dispositions, 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, the impact of U.S. and global tariffs, developments and changes in applicable laws and regulations, the impact of climate change, fluctuations in the economic environment, the environmental, social and governance (ESG) landscape and the employment market (including from the impact of artificial intelligence), and such other factors discussed under the heading "Risk Factors" in the REIT's Management's Discussion and Analysis for Q2 2026 and Annual Information Form dated March 11, 2026 which are both available on the REIT's profile 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 may be considered "financial outlook" for purposes of applicable Canadian securities laws, including under the heading "2026 Earnings and Same Community Portfolio Guidance" herein. 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. The REIT and management believe that financial outlook has been prepared on a reasonable basis, reflecting management's best estimates and judgments as of the date of this news release. In particular, the REIT's earnings guidance is supported by the following key assumptions: modest Same Community NOI growth driven by modest rate growth and advancement of select real estate adjacent business services internalization efforts, significant Non Same Community NOI growth driven primarily by the lease-up and full year impact of the REIT's Property Acquisitions offset by the Property Dispositions, and higher net costs of borrowing. Please see above under the heading "2026 Earnings and Same Community Portfolio Guidance" for further details. Please note, such assumptions are inherently subject to significant business, economic, competitive, market, regulatory, and other risks and uncertainties as outlined above, many of which are beyond the REIT's control. Actual results may differ materially from management's expectations if any of the assumptions referred to above prove to be inaccurate. The REIT reviews its key assumptions regularly and may change its outlook on a going-forward basis if necessary.

All forward-looking statements and financial outlook are based only on information currently available to the REIT and are made as of the date of this news release. Except as expressly required by applicable

Canadian securities law, the REIT assumes no obligation to publicly update or revise any forward-looking statement or financial outlook, whether as a result of new information, future events or otherwise. All forward-looking statements and financial outlook in this news release are qualified by these cautionary statements.

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