

EUROPEAN RESIDENTIAL REIT AND CAPREIT ANNOUNCE CLOSING OF WAREHOUSED PORTFOLIO ACQUISITION

TORONTO, ON, May 31, 2019 – European Residential Real Estate Investment Trust (TSX-V:ERE.UN, “**ERES**”) and Canadian Apartment Properties Real Estate Investment Trust (TSX:CAR.UN, “**CAPREIT**”) are pleased to announce the closing of the previously announced acquisition (the “**Transaction**”) by ERES from CAPREIT of a portfolio (the “**Warehoused Portfolio**”) comprised of 26 properties, representing an aggregate of 1,257 residential suites and certain additional ancillary commercial space and parking facilities, located in 24 cities and towns across the Netherlands, as more particularly described in ERES’s management information circular dated April 23, 2019 (the “**Circular**”). The purchase price for the Warehoused Portfolio of approximately €232 million, subject to certain post-closing purchase price adjustments, was satisfied by a combination of: (i) the assumption of approximately €97 million aggregate principal amount of existing mortgage debt net of financing fees associated with the Warehoused Portfolio, bearing a weighted average 1.98% fixed interest rate and a weighted average 6.6 year term to maturity; and (ii) the issuance of 50,582,631 class B LP units of ERES Limited Partnership (the “**Class B LP Units**”), a subsidiary of ERES, at a price of C\$4.00 per Class B LP Unit, in the aggregate amount of approximately €135 million. The Class B LP Units are convertible on a one-to-one basis into trust units of ERES (“**Units**”).

The Transaction was completed pursuant to the previously announced pipeline agreement dated March 29, 2019 between ERES and CAPREIT Limited Partnership, which was approved by the holders of units and special voting units of ERES at a special meeting held on March 21, 2019.

The issuance of Class B LP Units in connection with the Transaction was overwhelmingly approved by disinterested unitholders of ERES at ERES’ annual and special meeting held on May 23, 2019. As a result of the Transaction, ERES’s the value of investment properties has increased from approximately €530 million to approximately €770 million, consisting of 3,348 multi-residential suites in 67 properties and approximately 400,000 square feet of gross leasable office area in three commercial properties. ERES’s market capitalization has also increased significantly, with the number of Units outstanding (including Class B LP Units) increasing from approximately 99 million to approximately 150 million.

CAPREIT’s Ownership

As a result of the Transaction, CAPREIT beneficially owns, controls or exercises direction over 132,223,841 Class B LP Units, representing approximately 88% of the issued and outstanding Units, on a fully diluted basis. Immediately before the completion of the Transaction, CAPREIT owned, controlled or exercised direction over 81,641,210 Class B LP Units, representing approximately 83% of the issued and outstanding Units, on a fully diluted basis. Subject to the terms set out in the investor rights agreement dated March 29, 2019 between CAPREIT and ERES, CAPREIT may seek to sell or otherwise dispose of some or all of ERES’ securities (which may include, but is not limited to, transferring some or all of such securities to its affiliates) from time to time, and/or may seek to acquire additional securities of ERES (which may include rights or securities exercisable or convertible into securities of ERES) from time to time, in each case, in open market or private transactions, block sales or acquisitions or otherwise.

This press release is issued pursuant to the early warning requirements of National Instrument 62-103, which also requires a report to be filed containing additional information with respect to the foregoing matters (the “**Early Warning Report**”). A copy of the Early Warning Report will appear under ERES’ profile on the SEDAR website at www.sedar.com.

About ERES

ERES is an unincorporated, open-ended real estate investment trust. ERES’ Units are listed on the TSX-V under the symbol ERE.UN. ERES is Canada’s only European-focused multi-residential REIT, with a current initial focus on investing in high-quality multi-residential real estate properties in the Netherlands. ERES owns a portfolio of 67 multi-residential properties, comprised of 3,348 suites located in the Netherlands, and owns two office properties in Germany and one office property in Belgium.

ERES’ registered and principal business office is located at 11 Church Street, Suite 401, Toronto, Ontario M5E 1W1.

For more information, please visit our website at www.eresreit.com.

About CAPREIT

As one of Canada's largest residential landlords, CAPREIT is a growth-oriented investment trust owning interests in 56,042 residential units, comprising 44,373 residential suites and 72 manufactured home communities comprising 11,669 sites located in and near major urban centres across Canada and The Netherlands.

CAPREIT's registered and principal business office is located at 11 Church Street, Suite 401, Toronto, Ontario M5E 1W1.

For more information about CAPREIT, its business and its investment highlights, please refer to our website at www.caprent.com or www.capreit.net and our public disclosure, which can be found under our profile at www.sedar.com.

Cautions Regarding Future Plans and Forward-Looking Information

Certain statements contained in this press release constitute forward-looking statements within the meaning of applicable Canadian securities laws which reflect ERES's current expectations and projections about future results. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "consider", "should", "plans", "predict", "estimate", "potential", "could", "likely", "approximately", "scheduled", "forecast", "variation" or "continue", or similar expressions suggesting future outcomes or events. The forward-looking statements made in this press release relate only to events or information as of the date on which the statements are made in this press release. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this press release. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect.

Except as specifically required by applicable Canadian securities law, ERES does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. These forward-looking statements should not be relied upon as representing ERES' views as of any date subsequent to the date of this press release. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Investors are cautioned that, except as disclosed in the Circular, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) have in no way passed upon the merits of the Transaction and have neither approved nor disapproved the contents of this news release.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of ERES.

For further information

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