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## **LANTOWER RESIDENTIAL REAL ESTATE DEVELOPMENT TRUST (NO. 1) FILES PRELIMINARY PROSPECTUS FOR INITIAL PUBLIC OFFERING OF UNITS**

TORONTO, February 20, 2024 /CNW/ - Lantower Residential Real Estate Development Trust (No. 1) (the “**REDT**”) announced today that it has filed, and obtained a receipt for, a preliminary prospectus with the securities regulatory authorities in each of the provinces of Canada for a proposed initial public offering of its trust units (the “**Offering**”).

The preliminary prospectus qualifies the distribution of a minimum of US\$42 million and a maximum of US\$52 million of Class A Units, Class E Units, Class F Units and/or Class U Units of the REDT at a price of C\$10.00 per Class A Unit and Class F Unit, and US\$10.00 per Class E Unit and Class U Unit.

The REDT is a newly-created, unincorporated investment trust and was established for the primary purpose of indirectly owning an interest in the development of two residential development projects in Florida (the “**Projects**”) expected to contain an aggregate of 601 units comprised as follows:

- (i) a project to build one contiguous building of four stories comprising approximately 261,000 net rentable square feet consisting of 271 residential rental units sitting on 8.4 acres of land in Largo, Florida (Tampa); and
- (ii) a project to build two residential buildings of four stories comprising approximately 342,000 net rentable square feet, consisting of 330 residential rental units on 17.2 acres of land in Kissimmee, Florida (Orlando).

The REDT will aim to develop the assets, commence lease-up and operate the Projects, and subsequently achieve a liquidity event.

The Projects are currently beneficially owned by Lantower Residential LP (“**Lantower Residential**”), a wholly owned subsidiary of H&R Real Estate Investment Trust (“**H&R REIT**”) who will contribute the land for an ownership interest in the Projects as part of closing of the Offering. H&R REIT will not receive any of the net proceeds of the Offering, which will be used to fund the development of the Projects as further specified in the prospectus.

The Projects are zoning compliant and entitled development projects with development expected to commence shortly following closing of the Offering. Total budgeted costs for the Projects are approximately US\$210 million.

The REDT will be managed by an affiliate of H&R REIT, and administered by a board of trustees, a majority of whom are independent of H&R REIT.

The Offering is expected to be completed in late March 2024, subject to prevailing market conditions and receipt of required regulatory approvals.

CIBC World Markets Inc. (the “Agent”) is the sole agent for the Offering.

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities of the REDT in the United States, nor shall there be any sale of the securities of the REDT in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), and 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.

A preliminary prospectus containing important information relating to these securities has been filed with securities regulatory authorities in each of the provinces of Canada. The preliminary prospectus is still subject to completion or amendment. A copy of the preliminary prospectus may be obtained from the Agent and is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

### **Lantower Residential Real Estate Development Trust (No. 1)**

Lantower Residential Real Estate Development Trust (No. 1) was formed for the primary purpose of indirectly owning an interest in the development of two residential development projects in Florida expected to contain an aggregate of 601 units and an aggregate of 603,000 net rentable square feet, in Largo, Florida (Tampa) and Kissimmee, Florida (Orlando).

### **Forward-Looking Statements**

This news release contains statements that include forward-looking information within the meaning of Canadian securities laws. These forward-looking statements reflect the current expectations of the REDT regarding future events, including statements concerning the use of proceeds of the Offering, the timing of closing of the Offering, expectations with respect to the development of the Projects, the timing of construction and completion, expected construction plans, expected square footage and the achievement of a liquidity event by the REDT. In some cases, forward-looking statements can be identified by terms such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “seek”, “aim”, “estimate”, “target”, “project”, “predict”, “forecast”, “potential”, “continue”, “likely”, “schedule”, or the negative thereof or other similar expressions concerning matters that are not historical facts.

Material factors and assumptions used by management of the REDT to develop the forward-looking information include, but are not limited to, the REDT’s current expectations about: real property ownership and revenues; construction and development risk; obtaining and finalizing necessary development permits for the Projects; the realization of property value appreciation and timing thereof; the inventory of residential rental properties; competition from developers of residential rental properties; the Tampa, Florida and Orlando, Florida real estate markets; government legal and regulatory changes; significant fixed expenditures and fees in connection with the maintenance, operation and administration of the Projects; closing and other transaction costs in connection with the acquisition and disposition of the Projects; the availability of mortgage financing and current interest rates; revenue

shortfalls; assumptions about rental growth rates in the U.S. residential rental real estate market, demographic trends and the markets in which the REDT intends to operate; fluctuations in interest rates; litigation risks; the relative illiquidity of real property investments; the U.S. economic environment; the geographic concentration of the REDT's business; natural disasters and severe weather; demand levels for residential rental properties in Tampa, Florida and Orlando, Florida, respectively, and local economic conditions; negative geopolitical events; public health crises; the capital structure of the REDT; distributions; capital depletion; foreign currency exchange rates and assumptions related thereto; potential conflicts of interest; reliance on the good faith and ability of the manager of the REDT to manage and operate the Projects; reliance on other third-party property management companies; the limited operating history of the REDT; the limited liquidity of the Units; and tax laws. While management of the REDT considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

Although management believes the expectations reflected in such forward-looking statements are reasonable and represent the REDT's internal projections, expectations and beliefs at this time, such statements involve known and unknown risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the REDT's control, could cause actual results in future periods to differ materially from current expectations of estimated or anticipated events or results expressed or implied by such forward-looking statements. Such factors include the risks identified in the preliminary prospectus, including under the heading "Risk Factors" therein. Readers are cautioned against placing undue reliance on forward-looking statements. Except as required by applicable Canadian securities laws, the REDT undertakes no 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.

**For further information, please contact:**

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Additional information regarding Lantower Residential Real Estate Development Trust (No. 1) is available at [www.lantowerredt.com](http://www.lantowerredt.com) and on [www.sedarplus.com](http://www.sedarplus.com).