**TRUE NORTH APARTMENT REIT ANNOUNCES 2015 SECOND QUARTER RESULTS**

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**TORONTO, ONTARIO – July 29 2015** - True North Apartment Real Estate Investment Trust (TSX: TN.UN; TN.DB) (the "REIT") today announced its results of operations and financial condition for the three and six months ended June 30, 2015.

*Second Quarter Highlights*

- Completion of two strategic transactions that unlocked portfolio value, increased liquidity, and recycled capital into GTA properties with repositioning potential.
- Net Operating Income ("NOI") of $11.9 million, a 53.0% increase from the second quarter of 2014, primarily reflecting the impact of acquisitions, net of two property dispositions, as well as rental revenue growth across the portfolio.
- Average Monthly Rent ("AMR") increased to $815, a 2.8% increase from $793 at June 30, 2014 and 0.6% above the March 31, 2015 level of $810, excluding AMR for the two properties disposed of during the quarter.
- Same Property AMR growth of 3.0%, including 4.6% in the key Greater Toronto Area market.
- Basic and diluted funds from operations ("FFO") of $0.18 per trust unit ("Unit"), consistent with $0.18 per Unit in the second quarter of 2014.
- Basic and diluted adjusted funds from operations ("AFFO") increased 13.3% to $0.17 per Unit, compared with $0.15 per Unit in the second quarter of 2014, primarily reflecting the positive impact of the properties acquired in June 2014.
- Second quarter FFO and AFFO payout ratios of 98% and 104%, respectively, and 86% and 92% respectively, on a cash basis.

"The highlight of the second quarter of 2015 was the strategic transactions that unlocked value and recycled capital into GTA properties with repositioning potential," stated Leslie Veiner, the REIT's President and Chief Executive Officer of the REIT. "We acquired 150 and 160 Market Street in Hamilton, Ontario for approximately $25.4 million, representing a combined capitalization rate of 5.2%. Concurrently, we sold 380 Gibb Street in Oshawa, Ontario and 2292 Weston Road in Toronto, Ontario for aggregate proceeds of approximately $29.5 million, representing a capitalization rate of 4.7%. In addition to creating additional liquidity for the REIT, the Hamilton properties offer significant long-term value-add potential under our high-end suite renovation program, a process that had already been maximized at the properties that we disposed of," continued Mr. Veiner.

"Looking forward to the balance of the year, we will continue to focus on driving increased NOI through AMR expansion across the portfolio," added Mr. Veiner. "We also expect NOI growth from both energy conservation initiatives that will enhance operating cost efficiencies, as well as improvement at the Montréal complex, where we anticipate increasing occupancy levels and operating performance. Longer-term, we will continue to benefit from stable demand inherent in our mid-market focus, reflecting continued strong demographic trends and the affordability of renting."

*Operating Results*

Property revenues for the three and six months ended June 30, 2015 were $21.8 million and $43.4 million, respectively, representing increases of 54.4% and 56.6% when compared to $14.1 million and $27.7 million, respectively, for the three and six months ended June 30, 2014. These increases primarily reflected the impact of acquisitions, net of two property dispositions completed during and subsequent to the three months ended June 30, 2014. Property revenue also increased as a result of AMR growth across the portfolio. Same property revenue for the three and six month periods increased 2.2% and 2.4% respectively, when compared to the comparable periods ended June 30, 2014. AMR increased across all regions and revenue growth was particularly strong in Ontario, Nova Scotia and New Brunswick.

NOI for the three and six months ended June 30, 2015 was $11.9 million and $22.1 million, respectively, representing increases of 53.0% and 55.8% when compared to respective 2014 levels. These increases were due to the impact of acquisitions, net of two property dispositions. On a sequential basis, NOI increased 15.9% in the quarter from Q1 2015, reflecting lower operating costs when compared to the seasonally colder first quarter. The REIT achieved an NOI margin of 54.5% for the three months ended June 30, 2015, compared to 55.0% for the three months ended June 30, 2014. The decrease in NOI margin was due to a same property NOI margin declines in Québec, Nova Scotia and New Brunswick, partly offset by increases in Ontario and Alberta, in addition to a higher NOI margin on the properties acquired in June 2014.

As at June 30, 2015, portfolio AMR was $815 compared to $793 at June 30, 2014, an increase of $22 or 2.8% when excluding AMR for the two properties disposed of during the three months ended June 30, 2015. The increase was due to an improvement in AMR at properties owned prior to June 30, 2014 from $793 to $817 or 3.0%. This increase in AMR was slightly offset by lower average monthly rents at two properties acquired subsequent to June 30, 2014.

As at June 30, 2015, portfolio occupancy was 96.3%, 0.2% lower than the portfolio occupancy of 96.5% at June 30, 2014 and 0.4% below the occupancy at March 31, 2015. The year-over-year and sequential decreases in occupancy are primarily attributable to the Montréal complex. Effective January 1, 2015, the REIT appointed a new property manager at the complex. The manager is Québec-based with an excellent reputation and track record in the local market. The REIT is starting to see the benefits of this management change and expects performance to gradually improve in the second half of 2015 and into 2016.

| | Three months ended June 30, 2015 | Three months ended June 30, 2014 | % Change | Six months ended June 30, 2015 | Six months ended June 30, 2014 | % Change |
|---|---|---|---|---|---|---|
| Revenue | $ 21,775 | $ 14,102 | 54.4% | $ 43,382 | $ 27,695 | 56.6% |
| Expenses: | | | | | | |
| Operating costs | 7,101 | 4,705 | 50.9% | 15,724 | 10,217 | 53.9% |
| Property taxes | 2,808 | 1,640 | 71.2% | 5,558 | 3,291 | 68.9% |
| | 9,909 | 6,345 | 56.2% | 21,282 | 13,508 | 57.6% |
| NOI | $ 11,866 | $ 7,757 | 53.0% | $ 22,100 | $ 14,187 | 55.8% |
| NOI margin | 54.5% | 55.0% | | 50.9% | 51.2% | |

| | As at June 30, 2015 | As at December 31 2014 | As at June 30, 2014 |
|---|---|---|---|
| **Operational Information** | | | |
| Number of properties | 83 | 83 | 83 |
| Total suites | 8,908 | 8,827 | 8,826 |
| Occupancy % | 96.3% | 96.3% | 96.5% |
| AMR (in actual dollars) | $815 | $808 | $797 |

For the three and six months ended June 30, 2015, basic and diluted FFO was $0.18 and $0.32 per Unit, respectively, compared to $0.18 and $0.31 per Unit from the corresponding period in 2014. The FFO payout ratios for the three and six months were 98% and 111%, respectively, both improved from 2014 levels. On a cash basis, which excludes non-cash distributions made under the REIT's distribution reinvestment plan ("DRIP"), the effective FFO payout ratios were 86% and 98% respectively.

For the three and six months ended June 30, 2015, basic and diluted AFFO was $0.17 and $0.29 per Unit, respectively, both $0.02 higher than corresponding period in 2014, representing an increase of 13.3% and 7.4%, respectively. The AFFO payout ratios for the three and six months were 104% and 122%, respectively, both improved from 2014 levels. On a cash basis, which excludes non-cash distributions made under the REIT's DRIP, the effective AFFO payout ratios were 92% and 108%, respectively.

| | Three months ended June 30, 2015 | Three months ended June 30, 2014 | Six months ended June 30, 2015 | Six months ended June 30, 2014 |
|---|---|---|---|---|
| **Summary of Financial Information** | | | | |
| Interest coverage ratio | 2.54 x | 2.70 x | 2.33 x | 2.60 x |
| Indebtedness coverage ratio | 1.53 x | 1.60 x | 1.40 x | 1.51 x |
| Revenue | $21,775 | $14,102 | $43,382 | $27,695 |
| NOI | $11,866 | $7,757 | $22,100 | $14,187 |
| Net income and comprehensive income | $5,106 | $4,014 | $4,547 | $7,507 |
| FFO - basic | $5,875 | $4,199 | $10,291 | $7,211 |
| FFO - diluted | $6,204 | $4,252 | $10,946 | $7,264 |
| FFO per Unit - basic and diluted | $0.18 | $0.18 | $0.32 | $0.31 |
| AFFO - basic | $5,517 | $3,634 | $9,361 | $6,334 |
| AFFO - diluted | $5,846 | $3,687 | $10,016 | $6,387 |
| AFFO per Unit - basic and diluted | $0.17 | $0.15 | $0.29 | $0.27 |
| Distributions per Unit | $0.175 | $0.175 | $0.35 | $0.35 |
| FFO payout ratio | 98% | 99% | 111% | 114% |
| AFFO payout ratio | 104% | 114% | 122% | 130% |
| **Weighted average number of Units outstanding:** | | | | |
| Basic - (000s) | 32,827 | 23,744 | 32,673 | 23,477 |
| Add: unexercised unit options (000s) | 51 | 156 | 76 | 176 |
| Add: Unit Rights under the RUR Plan (000s) | 8 | - | 5 | - |
| Add: 2019 Debentures | 2,473 | 397 | 2,473 | 199 |
| Diluted - (000s) | 35,359 | 24,297 | 35,227 | 23,852 |

*Financial Position*

At the conclusion of the second quarter of 2015, the REIT's debt to Gross Book Value was 62.58% and its interest coverage ratio was 2.54 times. Both metrics fall within the REIT's stated targets. The weighted average interest rate on the REIT's portfolio was 3.08%, and the weighted average term to maturity was 3.38 years. CMHC-insured debt accounted for approximately 48% of the REIT's overall mortgage portfolio.

**About the REIT**

The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The REIT focuses on a long-term strategy to generate stable cash distributions on a tax-efficient basis for unitholders. The REIT intends to actively look for opportunities to expand its asset base and increase its distributable cash flow through acquisitions of additional multi-suite residential rental properties across Canada, the United States, and other jurisdictions where opportunities may arise.

For complete financial statements and management's discussion and analysis for the period, and any other information relating to the REIT, please visit either www.sedar.com or the REIT's website, www.truenorthreit.com.

**Non-IFRS measures**

The REIT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The following measures, NOI, "Same Property" operating results and NOI, FFO, AFFO, indebtedness, gross book value, indebtedness to gross book value ratio, indebtedness coverage ratio and interest coverage ratio (collectively, the "non-IFRS measures") as well as other measures discussed elsewhere in this press release, do not have a standardized definition prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. The REIT uses these measures to better assess the REIT's underlying performance and financial position and provides these additional measures so that investors may do the same. Details on non-IFRS measures are set out in the REIT's Management's Discussion and Analysis for the period ended June 30, 2015 and available on the REIT's profile on SEDAR at www.sedar.com.

**Forward-looking Statements**

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information is provided for the purposes of assisting the reader in understanding the REIT's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, performance, achievements, events, prospects or opportunities for the REIT or the real estate industry and may include statements regarding: the REIT's financial position; business strategy; budgets; litigation; projected costs; capital expenditures; financial results; occupancy levels; AMR; taxes; the REIT's intention with respect to, and ability to execute, its internal and external growth strategies; the REIT's distribution policy and the distributions to be paid to holders of Units; the distributions to be paid to holders class B limited partnership units of subsidiary partnerships of the REIT; the REIT's debt strategy; derivative instruments; plans and policies regarding capital expenditures; the REIT's distributions and payout ratio; the REIT's use of its normal course issuer bid and the short form base shelf prospectus filed with the securities commission of the provinces and territories of Canada; and the ability of the REIT to qualify as a "real estate investment trust and a mutual fund trust", as defined in the Income *Tax Act* (Canada). Particularly, statements regarding future geographic diversification, determinations of investment property fair values, per suite repair and maintenance expenditures, the REIT's ability to meet its obligations and the REIT's use of Canada Mortgage and Housing Corporation insured debt are forward-looking information. In some cases, forward-looking information can be identified by terms such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “seek”, “aim”, “estimate”, “target”, “goal”, “project”, “predict”, “forecast”, “potential”, “continue”, “likely”, “schedule”, or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking information necessarily involves known and unknown risks and uncertainties, which 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 will not be achieved. A variety of factors, many of which are beyond the REIT’s control, affect the operations, performance and results of the REIT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, the risks discussed in the REIT’s materials filed with Canadian securities regulatory authorities from time to time. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information as there can be no assurance that actual results will be consistent with such forward-looking information.

Information contained in forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management’s perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the Canadian economy will remain stable over the next twelve months; inflation will remain relatively low; interest rates will remain stable; conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate; the Canadian capital markets will provide the REIT with access to equity and/or debt at reasonable rates when required; and that the risks referenced above, collectively, will not have a material impact on the REIT. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking information included in this press release relates only to events or information as of the date hereof. Except as specifically required by applicable Canadian law, the REIT undertakes no obligation to update or revise publicly any forward-looking information, 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.

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