Milestone Apartments REIT Announces Acquisition of 15 Properties from Landmark Apartment Trust for Purchase Price of Approx US$502.0 MM and Strategic Relationship with Starwood Capital Group Increasing the REIT's Property Mgmt Platform to Over 50,000 Units

– REIT also Announces an Approximate 11% Increase to its Monthly Cash Distribution Effective January 2016 and a Public Offering of C$125.1 Million of Subscription Receipts –

– REIT also Provides Update on Third Quarter 2015 Rents & Occupancy –

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Toronto / Dallas, October 22, 2015 – Milestone Apartments Real Estate Investment Trust (TSX: MST.UN) ("Milestone" or the "REIT") today announced that it has entered into a definitive agreement with Starwood Capital Group ("Starwood") to acquire, by way of merger (the "Acquisition"), Landmark Apartment Trust ("Landmark") for US$8.17 per Landmark share in cash, representing a total enterprise value of approximately US$1.9 billion. The Acquisition, which is subject to customary closing conditions, including approval by Landmark's shareholders, is expected to close in the first quarter of 2016. As part of the Acquisition, Milestone will acquire a 100% interest in 15 properties (the "Properties") currently owned by Landmark, while Starwood will acquire Landmark's interest in 63 properties, all of which will be property managed by the REIT.

The REIT also announced today that its Board of Trustees has approved an approximate 11% increase to its Unitholder cash distributions (based on the Bank of Canada's noon U.S. dollar exchange rate as at October 21, 2015) and a change to U.S. dollar denominated cash distributions, with Unitholders having the option to elect to receive Canadian dollar denominated distributions. The increase to cash distributions and change to U.S. dollar denominated cash distributions (which are not conditional upon completion of the Acquisition) is expected to be effective for the January 2016 distribution, payable on February 15, 2016, to Unitholders of record on January 29, 2016.

Acquisition Highlights

- The Acquisition provides Milestone and Starwood with a portfolio of properties that aligns with their respective investment objectives;
- Milestone will acquire 15 high quality, garden-style properties totaling 4,172 units, with an average year built of 2005, for a gross purchase price of approximately US$502.0 million, in line with the REIT's growth strategy to high-grade its portfolio and improve its operating margins and cash flow position;
- The acquisition of the Properties, the Offering (as defined below) and Milestone's planned strategic refinancings and dispositions, are together expected to be accretive to the REIT's Funds From Operations ("FFO") and Adjusted Funds From Operations ("AFFO") per unit;
- The Properties will increase the REIT's scale in seven of its existing U.S. Sunbelt markets, with property management expansion into existing and new U.S. markets, establishing greater critical mass to drive operating efficiencies and growth;
- The Properties have an average year one cap rate of approximately 6.1% and an average price per unit of approximately US$120,000;
- The Properties have trailing 12-month ending June 30, 2015 average rents of US$958 and June 2015 average occupancy of 95.0%, compared to rents and occupancy for the REIT portfolio average as at June 30, 2015 of US$837 and 95.2%, respectively;

- Milestone will be retained by Starwood to property manage the portfolio of 63 properties acquired from Landmark totaling 19,615 units, increasing the total number of units managed by the REIT to over 50,000 units;
- The REIT will receive a fee for property management services provided to Starwood equal to 3.0% of revenue. On the 19,615 units to be managed, such fees are expected to add approximately US$1.8 million annually to the REIT’s AFFO, net of incremental overhead and projected income taxes; and
- Following the close of the Acquisition, the REIT’s equity market capitalization is expected to increase to over C$1.0 billion, and its asset value is expected to increase to approximately US$2.3 billion.

Milestone Third Quarter 2015 (“Q3 2015”) Rents and Occupancy Performance Preview

- Milestone’s total and samestore average monthly in-place rents were US$871 and US$821, respectively, up 12.2% and 6.3% from US$776 and US$772 in Q3 2014;
- Total and samestore occupancy remained strong both ending Q3 2015 at 95.3%, compared to total and samestore occupancy both ending Q3 2014 at 95.5%;
- The REIT’s Houston portfolio remained strong with total and samestore average monthly in-place rents of US$920 and US$859, respectively, up 13.4% and 5.9% from US$811 in Q3 2014; Total and samestore occupancy in Houston also ended Q3 2015 strong at 95.0% and 95.2%, respectively; and
- The REIT will report its Q3 2015 financial results after market close on Wednesday, November 4, 2015, and host a conference call for the investment community the following day, Thursday, November 5, 2015 at 11:00 a.m. (ET).

“With strong total and samestore rent growth and continued high occupancy in Q3 2015, a robust outlook for the U.S. apartment market and continued favorable demographic trends in the U.S., particularly in the Sunbelt markets, this is an excellent opportunity to increase our presence in our target markets. The acquisition of these properties will high-grade the REIT’s portfolio, establish greater scale, and improve our operating margins and cash flow position. We are pleased to form a strategic relationship with Starwood through this transaction, which provides each of us with the opportunity to expand upon our respective investment strategies,” said Robert Landin, CEO of Milestone.

Investor Presentation

An investor presentation describing the transaction will be made available on the REIT’s website, to obtain a copy please visit www.milestonereit.com/investor-relations/events-presentations.

Subscription Receipt Offering

To finance a portion of the purchase price for the Acquisition, the REIT has reached an agreement with a syndicate of underwriters co-led by BMO Capital Markets and CIBC to issue 8,340,000 subscription receipts (“Subscription Receipts”) at a price of C$15.00 per Subscription Receipt, on a bought deal basis, for gross proceeds of C$125.1 million (the "Offering"). The REIT has also granted the Underwriters an option to purchase up to an additional 1,251,000 Subscription Receipts on the same terms and conditions, exercisable at any time, in whole or in part, up to 30 days after the closing of the Offering (the "Over-Allotment Option"). BMO Capital Markets is the sole bookrunner on the Offering.

Upon the satisfaction or waiver of all conditions precedent to the closing of the Acquisition (other than the payment of the consideration for the Acquisition): (a) one trust unit of the REIT (a “Unit”) will be automatically issued in exchange for each Subscription Receipt (subject to customary anti-dilution protection), without payment of additional consideration or further action by the holder thereof; (b) an amount per Subscription Receipt equal to the amount per Unit of any cash distributions made by the REIT for which record dates have occurred during the period that the Subscription Receipts are outstanding, net of any applicable withholding taxes, will become payable in respect of each Subscription Receipt; and (c) the net proceeds from the sale of the Subscription Receipts will be released from escrow to the REIT for the purposes of completing the Acquisition.

The net proceeds from the sale of the Subscription Receipts will be held by an escrow agent pending the fulfillment or waiver of all outstanding conditions precedent to closing of the Acquisition (other than the payment of the consideration for the Acquisition). There can be no assurance that Landmark shareholder and regulatory approvals will be obtained, closing conditions will be met or that the Acquisition will be consummated.

If the Acquisition fails to close as described above by April 30, 2016, or if the Acquisition is terminated at an earlier time, the gross proceeds of the Offering and pro rata entitlement to interest earned or deemed to be earned on the Subscription Receipts, net of any applicable withholding taxes, will be paid to holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

The Subscription Receipts will be offered in each of the provinces and territories of Canada pursuant to the REIT's base shelf prospectus dated August 27, 2014, as amended. The terms of the Offering will be described in a prospectus supplement to be filed with Canadian securities regulators. The Offering is expected to close on or about October 30, 2015 and is subject to certain conditions including, but not limited to, the receipt of all regulatory approvals including the approval of the Toronto Stock Exchange (the "TSX").

The Units have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "1933 Act") and may not be offered, sold or delivered, directly or indirectly, in the United States, or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the 1933 Act), except pursuant to an exemption from the registration requirements of the 1933 Act. This press release does not constitute an offer to sell or a solicitation of an offer to buy any Units in the United States or to, or for the account or benefit of, U.S. persons.

Landmark Portfolio Acquisition Key Facts

The Properties are located in major metropolitan markets in the U.S. Sunbelt that fit within Milestone's existing market footprint that have strong underlying demographic trends, including population and employment growth rates higher than the U.S. national average. The Properties are similar to the REIT's established portfolio, featuring extensive amenities and located in close proximity to shopping, dining, and entertainment options, as well as major transportation corridors and employment centers. The Properties are being acquired at an average year one cap rate of approximately 6.1% and an average price per unit of approximately US$120,000. The Properties have trailing 12-month ending June 30, 2015 average rents of US$958 and June 2015 average occupancy of 95.0%, compared to rents and occupancy for the REIT portfolio average as at June 30, 2015 of US$837 and 95.2%, respectively.

Property	State	MSA[1]	Submarket	Units	Year Built
Creekside Crossing	Georgia	Atlanta	I-20 East	280	2003
Kedron Village	Georgia	Atlanta	South Fulton	216	2001
Andros Isle	Florida	Orlando[2]	South Daytona Beach	360	2012

Brighton Colony	North Carolina	Charlotte	Harris Blvd/Mallard Creek Church Rd	276	2008/2012(3)
Greenbrooke Commons	North Carolina	Charlotte	Harris Blvd/Mallard Creek Church Rd	279	2005/2008(3)
Mallard Creek	North Carolina	Charlotte	Harris Blvd/Mallard Creek Church Rd	240	1999
Residences at Braemar	North Carolina	Charlotte	Northwest Charlotte	160	2005
Arboleda	Texas	Austin	Hwy 183/Cedar Park/Leander	312	2007
Villas of El Dorado	Texas	Dallas/Fort Worth	Plano/Allen/McKinney	248	2002
Rock Ridge	Texas	Dallas/Fort Worth	Southeast	226	2003
Towne Crossing	Texas	Dallas/Fort Worth	Southeast	268	2004
Emerson Park	Texas	Houston	Clear Lake/NASA	354	2008
Park at Northgate	Texas	Houston	Champions/FM 1960	248	2002
Hidden Lake	Texas	San Antonio	Far Northwest	380	2004
Walker Ranch	Texas	San Antonio	Far North Central	325	2004
Total/Average				**4,172**	**2005**

(1) Metropolitan Statistical Area.
(2) Located in Daytona Beach Florida.
(3) Built in two phases.

Proposed Property Dispositions

As part of Milestone's overall business strategy to continuously high-grade the REIT's portfolio to optimize cash flow performance and build long term Unitholder value through strategic acquisitions and dispositions, the REIT is actively marketing the sale of Ivy Commons (Atlanta - 344 units), Parks at Treepoint (Dallas / Fort Worth - 586 units), Post Oak Place (Dallas / Fort Worth - 354 units) and Brookfield (Houston - 250 units). The combined trailing 12-month net operating income of these four assets as at June 30, 2015 was approximately US$6.9 million, with an expected average in-place cap rate range of 6.2% to 6.5%. The combined mortgage balance associated with these four properties is approximately US$56.3 million with a weighted average interest rate of approximately 3.43%. A portion of the expected net proceeds from the projected sale of these four properties, or approximately US$51.0 million, is expected to be used to finance part of the Acquisition.

Milestone Pro-forma Portfolio

The table below represents the REIT's pro-forma portfolio including the Properties and planned dispositions:

		As at October 22, 2015		Pro-forma				
State	**MSA**	**Asset Count**	**Unit Count**	**Acquisitions in Units (#Assets)**	**Dispositions in Units (#Assets)**	**Asset Count**	**Unit Count**	**Units % of Total**
Arizona	Phoenix	2	674	--	--	2	674	3.0%
Colorado	Denver	3	963	--	--	3	963	4.3%
Florida	Jacksonville	3	1,390	--	--	3	1,390	6.2%
Florida	Orlando	2	727	360 (1)	--	3	1,087	4.8%
Florida	Tampa	3	632	--	--	3	632	2.8%
Georgia	Atlanta	4	1,242	496 (2)	344 (1)	5	1,394	6.2%
Missouri	Kansas City	1	280	--	--	1	280	1.2%
North Carolina	Charlotte	1	252	955 (4)	--	5	1,207	5.4%
Tennessee	Nashville	4	1,858	--	--	4	1,858	8.2%
Texas	Austin	2	520	312 (1)	--	3	832	3.7%
Texas	Dallas/Fort Worth	19	6,166	742 (3)	940 (2)	20	5,968	26.5%
Texas	Houston	13	3,920	602 (2)	250 (1)	14	4,272	18.9%
Texas	San Antonio	2	516	705 (2)	--	4	1,221	5.4%
Utah	Salt Lake City	2	768	--	--	2	768	3.4%
Total	**Total**	**61**	**19,908**	**4,172 (15)**	**1,534 (4)**	**72**	**22,546**	**100.0%**

Acquisition Funding

Milestone's portion of the purchase price for the Acquisition, including financing and transaction costs, is expected to be funded as follows:

(i) Mortgage assumptions on the Properties	US$261.7
(ii) Proceeds from the Subscription Receipt Offering(1)	US$95.3
(iii) Proposed refinancing of existing mortgage debt on the Properties	US$58.7
(iv) Proceeds from the refinancing of existing REIT mortgage debt facility	US$39.0
(v) Proceeds from the proposed refinancing of existing REIT mortgages	US$12.9
(vi) Proceeds from REIT proposed property dispositions	US$51.0
Total	**US$518.6**

(1) Represents a C$125 million offering with a price of C$15.00 per subscription receipt and a US$ to C$ exchange rate of 1 to 1.3116, based on the Bank of Canada's noon U.S. dollar exchange rate as at October 21, 2015.

Milestone intends to finance the Acquisition through a combination of:

(i) approximately US$261.7 million assumption of existing Landmark mortgages on 12 properties with a weighted average interest rate of 3.38% and a weighted average maturity of April 2023;

(ii) approximately US$95.3 million in proceeds from the subscription receipt Offering;

(iii) approximately US$58.7 million from the proposed refinancing of three existing Landmark mortgages with an expected weighted average interest rate range of 3.4% to 3.6% and an expected weighted average maturity of November 2020;

(iv) net proceeds of approximately US$39.0 million from the refinancing of the REIT's mortgage debt facility (the "Facility") completed on September 10, 2015, which as at June 30, 2015 had a balance of US$266.3 million. The additional funds received from the refinancing of the Facility are interest-only with a total weighted average interest rate of 1.73% plus 1-month LIBOR, with a weighted average debt maturity of approximately six years;

(v) net proceeds of approximately US$12.9 million from the proposed refinancing of the existing mortgages on two properties of the REIT, Summer Meadows (Dallas / Fort Worth) and Summers Crossing (Dallas / Fort Worth). These two mortgages had a combined mortgage balance of approximately US$25.3 million as at June 30, 2015 and are expected to be refinanced with more favorable interest rate terms, down from the current 5.97% average interest rate; and

(vi) net proceeds of approximately US$51.0 million from the proposed sale of four properties of the REIT, net of any fees or penalties.

The REIT will disclose the final details of the Acquisition, including all final financing and disposition terms, and any working capital adjustments, following closing of the transaction.

Pro-forma Debt Profile

Following the Acquisition, the REIT's pro-forma mortgage notes obligations are projected to be approximately US$1.228 billion, with a weighted average interest rate of approximately 3.58%, down from 3.74% as at June 30, 2015, and a weighted average maturity of approximately seven years. Approximately 86.0% of the REIT's indebtedness will be issued at fixed rates and the REIT's pro-forma debt to gross book value ratio will be approximately 53.8%. Milestone has a US$85.0 million revolving line of credit, which has a US$40.0 million accordion option bringing the total borrowing capacity on the line up to US$125 million. No draw is expected on this revolving line of credit in connection with the closing of the transaction.

Management believes that this liquidity position and amount of debt are at levels that allow the REIT to continue to meet current obligations and pursue future growth opportunities as they become available.

Distribution Increase and Change in Distribution Policy

The REIT announced today that its Board of Trustees has approved a change to a U.S. dollar denominated distribution, with Unitholders having the option to elect to receive Canadian dollar denominated distributions. This change is expected to better align the REIT's distribution policy with the currency profile of its operations and cash flows, which are generated entirely in U.S. dollars.

The REIT also announced today that its Board of Trustees has approved, effective January 2016, an increase to its monthly cash distributions to US$0.04583 per unit, representing US$0.55 on an annualized basis. Based on the Bank of Canada's noon U.S. dollar exchange rate as at October 21, 2015, the change in distribution represents an approximate 11% increase from the REIT's current C$0.65 annualized distribution. Subsequent to this change in distribution policy and the completion of the Acquisition, the REIT's payout ratio would remain below 60.0%, using an annualized Q2 2015 AFFO per unit amount.

The proposed increase and change to U.S. dollar denominated distributions (which are not conditional upon completion of the Acquisition) are expected to be effective for the January 2016 distribution, payable on February 15, 2016, to Unitholders of record on January 29, 2016.

Commenting on the distribution increase, Mr. Landin said, "Our Trustees' decision to increase Unitholder distributions reflects Milestone's strong financial and operating performance since our IPO and their belief in the strength of the REIT's business and future cash flows."

Financial and Legal Advisors

BMO Capital Markets is acting as the REIT's financial advisor in connection with this transaction. Milestone has engaged Kirkland & Ellis LLP on a joint representation basis with Starwood on all matters for which the interests of the REIT and Starwood are aligned. Vinson & Elkins LLP is representing Milestone as outside counsel on all U.S. legal matters and Goodmans LLP is representing the REIT on all Canadian legal matters relating to the transaction.

About Milestone

Milestone is an unincorporated, open-ended real estate investment trust that is governed by the laws of Ontario. The REIT's portfolio consists of 61 multifamily garden-style residential properties, comprising 19,908 units that are located in 14 major metropolitan markets throughout the Southeast and Southwest United States. Milestone is the largest real estate investment trust listed on the TSX focused solely on the United States multifamily sector. The REIT operates its portfolio through its internal property management company, Milestone Management, LLC, which has more than 900 employees across the United States. Based in Dallas, TX, TMG Partners, L.P., an affiliate of The Milestone Group, LLC, is the external asset manager of the REIT. For more information, please visit www.milestonereit.com.

About The Milestone Group, LLC

The Milestone Group is a privately-held real estate investment management company with expertise and presence in major metropolitan markets throughout the United States. The firm has corporate offices in Dallas, Texas and New York, New York with regional acquisition and management offices across the United States. Founded in 2004, The Milestone Group has a strong track record of investing in the U.S. multifamily sector, including completion of more than US$4.5 billion in multifamily transactions. For more information, please visit www.milestonegp.com.

About Starwood

Starwood Capital Group is a private investment firm with a core focus on global real estate. Headquartered in Greenwich, CT, the Firm maintains 10 offices in four countries around the world, and currently has more than 1,400 employees. Starwood Capital Group has raised approximately US$32 billion of equity capital since its inception in 1991, and currently manages over US$45 billion in assets. The Firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk-reward dynamics to be evolving. For more than two decades, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises around real estate portfolios in both the private and public markets. Additional information can be found at www.starwoodcapital.com.

About Landmark

Landmark Apartment Trust, Inc. is a multifamily real estate investment trust with assets consisting of mid-market, garden-style apartments primarily located in the South and certain Texas markets of the United States. Landmark owns or has an ownership position in 23,787 apartment units and provides management services for an additional 1,700 units owned by affiliates. For more information about Landmark please visit http://www.latapts.com.

Non-IFRS Financial Measures

FFO, AFFO, net operating income, year one cap rate and in-place cap rate are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. Such measures are presented in this news release because management of the REIT believes that such measures are relevant in interpreting the purchase price and performance of properties. Such measures, as computed by the REIT, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to capitalization rate reported by such other organizations. Please see the REIT's most recent management's discussion and analysis for how the REIT reconciles FFO, AFFO and net operating income to the nearest IFRS measure.

Forward-looking Information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the REIT and the environment in which it operates. Forward-looking statements are identified by words such as "believe", "anticipate", "project", "expect", "intend", "plan", "will", "may" "estimate", "pro-forma" and other similar expressions. These statements are based on the REIT's expectations, estimates, forecasts and projections and include, without limitation, statements regarding the completion of the Acquisition, the Offering, the planned property dispositions and the planned refinancings, the benefits of the Acquisition (including the extent it will be accretive to the REIT's FFO and AFFO per Unit), expected management fees, expected market capitalization, improved operating margins and cash flow position, pro-forma debt profile, pro-forma property portfolio, year one cap rates, proposed changes to the REIT's distribution policy and anticipated payout ratio. The forward-looking statements in this news release are based on certain assumptions, including that all conditions to completion of the Acquisition and the Offering will be satisfied or waived, the REIT will complete the planned property dispositions and refinancing on the terms anticipated, revenue associated with the properties to be acquired and managed by the REIT will remain consistent, significant additional costs will not have to be incurred by the REIT to manage the new properties, the REIT's assets will generate sufficient cash to allow the REIT to pay the increased distribution, future AFFO and FFO per Unit will be similar to annualized Q2 2015 AFFO and FFO per Unit, and exchange rates don't change. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risk Factors" in the REIT's annual information form available at www.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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