



ANNOUNCEMENT OF PROPERTY DISPOSITIONS AND RETURN OF CAPITAL TO UNITHOLDERS

Vancouver, BC – October 28, 2013: Sunstone U.S. Opportunity Realty Trust (the “Realty Trust”) today announce property dispositions and a special distribution to the unitholders of the Realty Trust.

Property Dispositions

The Realty Trust is pleased to announce the profitable sales of four of the five properties in its portfolio. The sale of the Paragon at Kierland Apartments (the “Paragon”) was previously announced on October 7, 2013. The other sales include the Livingston Apartments, the Fountainwood Apartments and the Windsong Apartment Homes.

The Paragon was purchased in November 2009 for US\$34,200,000 and sold in October 2013 for US\$57,750,000, less standard closing costs and adjustments. The Livingston Apartments was purchased in May 2009 for US\$18,350,000 and sold in August 2013 for US\$25,500,000, less standard closing costs and adjustments. The Windsong Apartment Homes was purchased in October 2008 for US\$13,100,000 and sold in July 2013 for US\$16,500,000, less standard closing costs and adjustments. The Fountainwood Apartments was purchased in May 2009 for US\$15,200,000 and sold in August 2013 for US\$19,800,000, less standard closing costs and adjustments.

Return of Capital

As a result of the dispositions, the Realty Trust will be issuing a special distribution totalling US\$1,750 to its unitholders of record on October 22, 2013 with an expected payable date of October 28, 2013.

In an investment context, the distribution classification may be described as (i) a return of capital of US\$1,250 per unit, (ii) a distribution of US\$205.86 per unit, meeting the preferred return of 8% per unit, and (iii) a special distribution of US\$294.14 per unit. A withholding tax in the amount of US\$407.34 will be withheld and investors will receive a net total distribution of US\$1,342.66 per unit, from a gross total of US\$1,750 per unit. A second and final distribution for the remainder of the Realty Trust’s cash on hand is expected to be issued in December 2013.

In a tax context, the distribution classification may be described as a return of capital and a capital gains dividend, less US withholding tax at 35% of the capital gains dividend. Management’s best estimate of the allocation between return of capital and Foreign Investment in Real Property Tax Act (“FIRPTA”) gains, after consultation with tax advisors, is a return of capital of US\$586.19 per unit and a capital gains dividend of US\$1,163.81, less withholding taxes of US\$407.34, resulting in a net cash distribution of US\$1,342.66 per unit to unitholders. The FIRPTA gains are subject to an automatic 35% withholding tax, however, management estimates that the final withholding tax will be less than the 35% rate.



Management will present the final figures at year end. Investors should consult their own professional advisors to obtain advice on the tax consequences that apply to them in their specific circumstances.

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "expect", "may", "will", "intend", "should", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward looking statements in this news release include the following: (i) as a result of the dispositions, the Realty Trust will be issuing a special distribution totalling US\$1,750 to its unitholders of record on October 22, 2013 with an expected payable date of October 28, 2013; (ii) a second and final distribution for the remainder of the Realty Trust's cash on hand is expected to be issued in December 2013; (iii) management's best estimate of the allocation between return of capital and Foreign Investment in Real Property Tax Act ("FIRPTA") gains, after consultation with tax advisors, is a return of capital of US\$586.19 per unit and a capital gains dividend of US\$1,163.81, less withholding taxes of US\$407.34, resulting in a net cash distribution of US\$1,342.66 per unit to unitholders; and (iv) the FIRPTA gains are subject to an automatic 35% withholding tax, however, management estimates that the final withholding tax will be less than the 35% rate.

The forward-looking statements contained in this news release are based on certain key expectations and assumptions made by the Realty Trust, including: expectations and assumptions concerning the payment date for the return of capital, the withholding tax rate, and the payment date for the final distribution. Although the Realty Trust believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Realty Trust can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

The forward-looking statements contained in this news release represent the Realty Trust's expectations as of the date hereof, and are subject to change after such date. The Realty Trust disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable laws.