Pure Multi-Family REIT LP

Interim Consolidated Financial Statements

Period Ended June 30, 2012

Expressed in United States dollars

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Limited Partnership discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended June 30, 2012.

		June 30, 2012
ASSETS		
Current assets		
Deposits (note 4)	$	579,530
Cash		420,490
TOTAL ASSETS	$	1,000,020
PARTNERS' CAPITAL (note 5)	$	1,000,020

Nature of business and basis of presentation (note 1 and 2)

Subsequent events (note 10)

Approved on behalf of the General Partner,
Pure Multi-Family REIT (GP) Inc.:

______________________ Director
Robert W. King

______________________ Director
Darren T. Latoski

Expressed in United States dollars

	Limited Partners Class B	General Partner	Total
Balance, May 8, 2012	$ -	$ -	$ -
General partner contribution	-	20	20
Issuance of units	1,000,000	-	1,000,000
Balance, June 30, 2012	**$ 1,000,000**	**$ 20**	**$ 1,000,020**

		From date of formation on May 8, 2012 to June 30, 2012
Cash provided by (used in)		
INVESTING		
Deposits	$	**(579,530)**
FINANCING		
General partner capital contribution		**20**
Proceeds from the issuance of units		**1,000,000**
		1,000,020
Net change in cash and cash equivalents		**420,490**
Cash and cash equivalents, beginning of period		**-**
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	**420,490**

The accompanying notes are an integral part of these consolidated financial statements

1. PURE MULTI-FAMILY REIT LP INFORMATION

Pure Multi-Family REIT LP ("Pure Multi") is a limited partnership formed under the *Limited Partnership Act* (Ontario) to invest in multi-family real estate properties in the United States. Pure Multi was established by Pure Multi-Family Management Limited Partnership (the "Managing GP"), its managing general partner, and Pure Multi-Family REIT (GP) Inc. (the "Governing GP"), its governing general partner, pursuant to the terms of the Partnership Agreement. Pure Multi's head office and address for service is located at 910 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. A copy of the Partnership Agreement can be obtained from Pure Multi or on SEDAR at www.sedar.com.

Pure Multi was established, among other things, for the purposes of:

a) acquiring Common Shares and ROC Shares [(1)] of Pure US Apartments REIT Inc. (the "US REIT");

b) temporarily holding cash and investments for the purposes of paying the expenses and liabilities of Pure Multi and making distributions to Unitholders;

c) in connection with the undertaking set out above, reinvesting income and gains of Pure Multi and taking other actions besides the mere protection and preservation of Pure Multi Property.

[(1)]An ROC Share means one Return of Capital share in the capital of the US REIT having the terms and conditions set out in the bylaws of the US REIT and in the prospectus.

The principal business of Pure Multi will be to issue Units and to acquire and hold Common Shares and ROC Shares of the US REIT. The US REIT was established, among other things, for the purposes of acquiring, owning and operating multi-family real estate properties in the United States.

There were no operating activities within Pure Multi during the date of formation May 8, 2012 and June 30, 2012. Accordingly, no statement of operations has been presented.

This statement of financial position was authorized for issue by the Governing GP on August 8, 2012.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

a. Statement of compliance

These interim consolidated financial statements have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") incorporating interpretations issued by the IFRS Interpretations Committee ("IFRICs"). These interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and the accounting policies that Pure Multi expects to adopt in its December 31, 2012 annual consolidated financial statements. These accounting policies are based on the IFRS and IFRICs that Pure Multi expects to be applicable at that time.

b. Basis of measurement

The interim consolidated financial statements reflect the financial position and cash flows of Pure Multi and does not include the assets, liabilities, revenues and expenses of the Partners.

c. Functional and presentation currency

These consolidated financial statements are presented in the United States dollars, which is Pure Multi's functional currency.

d. Presentation of financial statements

Pure Multi uses a classified statement of financial position. The consolidated statement of financial position distinguishes between current and non-current assets and liabilities. Current assets and liabilities are those expected to be recovered or settled within twelve months from the reporting date and non-current assets and liabilities are those where the recovery or settlement is expected to occur more than twelve months from the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these interim consolidated financial statements are set out below. The accounting policies have been applied consistently by group entities unless otherwise stated.

A. Basis of consolidation

The interim consolidated financial statements comprise the financial statements of Pure Multi and its subsidiaries, over which Pure Multi has control. Control exists when Pure Multi has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. The financial statements of subsidiaries are consolidated from the date that control commences and continue to be consolidated until the date that control ceases.

Intra-group transactions and balances are eliminated in preparing the interim consolidated financial statements. The interim consolidated financial statements reflect the financial position and cash flows of Pure Multi and its subsidiaries.

B. Financial instruments

Non-derivative financial assets and non-derivative financial liabilities are initially recognized at fair value, and their subsequent measurement is dependent on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and Pure Multi's designation of such instruments.

Pure Multi classifies its financial instruments as follows:

Cash	Loans and receivables
Deposits	Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are accounted for at amortized cost, using the effective

C. Impairment of financial assets

At each reporting date, Pure Multi assesses whether there is objective evidence that a financial asset is impaired. If a financial asset carried at amortized cost is impaired, the amount of the loss is measured as the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The loss is recognized in impairment expense.

D. Cash

Cash consists of cash on hand and cash held at banks.

E. Significant accounting judgments and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

F. Allocation of net income or net loss

Where Distributable Cash was paid in respect of a Fiscal Year, the Net Income of Pure Multi in respect of that Fiscal Year shall be allocated among the Partners on the following basis:

a) first, to the Governing GP 0.01% of the Net Income of Pure Multi to a maximum of $100 per annum;

b) as to the balance:

   (i) to the Class A Unitholders, as a class, an amount equal to the balance multiplied by a fraction, the numerator of which is the sum of the distributions received by the Class A Unitholders in respect of the Fiscal Year and the denominator of which is the total distributions made by Pure Multi in respect of the Fiscal Year and the amount so determined shall be allocated among the Class A Unitholders in an amount calculated by multiplying the amount distributed by a fraction, the numerator of which is the sum of distributions received by such Class A Unitholder with respect to such Fiscal Year and the denominator of which is the aggregate amount of distributions made by Pure Multi to the Class A Unitholders or Class B Unitholders, as the case may be, as a group with respect to such Fiscal Year; and

   (ii) to the Class B Unitholders, pro rata, an amount equal to the balance multiplied by a fraction, the numerator of which is the sum of the distributions received by the Class B Unitholders in respect of the Fiscal Year and the denominator of which is the total distributions made by Pure Multi in respect of the Fiscal Year.

Where no Distributable Cash was paid in respect of a Fiscal Year, Net Income of Pure Multi in respect of that Fiscal Year shall be allocated among the Partners on the following basis:

a) first, to the Governing GP 0.01% of the Net Income of Pure Multi to a maximum of $100 per annum;

b) as to the balance:

   (i) to the Class A Unitholders of record at the end of each month ending in such Fiscal Year, the Class A Unit Percentage of the balance divided by 12; and

   (ii) to the Class B Unitholders of record at the end of each month ending in such Fiscal Year, the Class B Unit Percentage of the balance divided by 12

Net Loss of Pure Multi in respect of that Fiscal Year shall be allocated among the Partners on the following basis:

a) to the Class A Unitholders who were holders of Units at the end of each month ending in such Fiscal Year, pro rata in accordance with their respective Proportionate Shares and to the extent of their capital accounts, the Unit Percentage of the Net Loss divided by 12;

b) to the Class B Unitholders who were holders of Class B Units at the end of each month ending in such Fiscal Year, pro rata in accordance with their respective Proportionate Shares and to the extent of their capital accounts, the Class B Unit Percentage of the Net Loss divided by 12; and.

c) as to the balance, to the Governing GP.

G. Future accounting policy changes

a. Financial instruments: classification and measurement

In November 2009, as part of the IASB's project to replace International Accounting Standard ("IAS") 39, *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9, *Financial Instruments*, which introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities and is applicable for annual periods starting on or after January 1, 2015. The full impact of the changes in accounting for financial instruments will not be known until the IASB's project has been completed.

b. Joint arrangements

In May 2011, the IASB issued IFRS 11, *Joint Arrangements*. This new standard replaces IAS 31, *Interests in Joint Ventures*. The new standard eliminates the option to proportionately consolidate interests in certain types of joint ventures and will be effective for Pure Multi's year end beginning January 1, 2015. The adoption of IFRS 11 is not expected to have a significant impact on Pure Multi's consolidated financial statements.

c. Consolidated financial statements

In May 2011, the IASB issued IFRS 10, *Consolidated Financial Statements*. This new standard replaces IAS 27, *Consolidated and Separate Financial Statements*, and SIC 12, *Consolidation – Special Purpose Entities*. The new standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and will be effective for Pure Multi's year end beginning January 1, 2013, with early adoption permitted. The adoption of IFRS 10 is not expected to have a significant impact on Pure Multi's consolidated financial statements.

d. Disclosure of interests in other entities

In May 2011, the IASB issued IFRS 12, *Disclosure of Interests in Other Entities*. This new standard includes disclosure requirements about subsidiaries, joint ventures and associates. Additional disclosures include judgments and assumptions made in determining how to classify involvement with another entity, interests that non-controlling interests have in the consolidated entities and the nature and risks associated with interests in other entities. IAS 28, *Investments in Associates*, has been amended and will set the requirements for the application of the equity method when accounting for investments in associates. This standard will be effective for Pure Multi's year end beginning January 1, 2013, with early adoption permitted. The adoption of IFRS 12 is not expected to have a significant impact on Pure Multi's consolidated financial statements.

e. Fair value measurement

In May 2011, the IASB issued IFRS 13, *Fair Value Measurement*. This new standard establishes a single source of guidance for fair value measurements when fair value is permitted or required by IFRS. The standard also requires enhanced disclosures when fair value is applied. This standard will be effective for Pure Multi's year end beginning January 1, 2013, with early adoption permitted. Pure Multi is currently evaluating the impact of IFRS 13 on its consolidated financial statements.

4. DEPOSITS

Deposits consist of refundable and non-refundable deposits, held pursuant to agreements of purchase and sale, which are to be used solely for the acquisition of properties.

5. PARTNER'S CAPITAL

The capital of Pure Multi consists of an unlimited number of units of Pure Multi and the interest held by the Governing GP. The Governing GP has made a capital contribution of $20 to Pure Multi and has no further obligation to contribute capital.

On May 30, 2012, the Managing GP subscribed for 200,000 Class B Units (each a "Class B Unit") of Pure Multi and paid consideration of $5.00 per Class B Unit for aggregate proceeds to Pure Multi of $1,000,000, which entitles the Class B Unitholders, initially, a 5% interest in Pure Multi.

6. TERMS OF CLASS A UNITS AND CLASS B UNITS

Pure Multi is authorized to issue an unlimited number of Class A Units and Class B Units.

The beneficial interests in Pure Multi are divided into Class A Units and Class B Units. The Class A Units are the subject of the Offering described in the Prospectus dated July 3, 2012. The Class B Units were subscribed for by the Managing GP on May 30, 2012. Except as set out in the LP Agreement and described in the Prospectus, no Class A Unit or Class B Unit has any preference or priority over another.

The Class A Units will share in a 95% equity interest in all distributions and all net assets of Pure Multi and the Managing GP, as the holder of the Class B Units, will share in a 5% equity interest in all distributions and all net assets of Pure Multi. These respective interests, which are called the Class A Unit Percentage Interest and Class B Unit Percentage Interest, will remain fixed, notwithstanding the issue of further Class A Units, until the occurrence of a Determination Event. Following the occurrence of a Determination Event, the number of Class A Units to which the Class B Unitholder is entitled upon exercising Conversion Rights becomes fixed, and future issuances of Class A Units will result in a decline in the Class B Unit Percentage Interest.

All distributions will be made to the holders of the Class A Units and the Class B Units in accordance with the Class A Unit Percentage Interest and Class B Unit Percentage Interest, respectively. As further detailed in the LP Agreement, until a Determination Event occurs, distributions from Pure Multi will generally be made 95% to the Class A Units and 5% to the Class B Units.

Pursuant to the LP Agreement, the Class B Unitholders as a class are entitled to convert some or all of their Class B Units into Class A Units based on the Specified Ratio. Upon the Class B Unitholders exercising their Conversion Rights, they will own that number of Class A Units which is equal to the Class B Unit Percentage Interest (initially 5%) of all Class A Units outstanding after such conversion. The Class B Unit Percentage Interest will remain fixed at 5% notwithstanding the issue of further Class A Units, until the occurrence of a Determination Event. Following the occurrence of a Determination Event, the number of Class A Units to which the Class B Unitholder is entitled upon exercising Conversion Rights becomes fixed, and future issuances of Class A Units will result in a decline in the Class B Unit Percentage Interest. A Determination Event is the earliest to occur of the following: (a) Pure Multi's Market Capitalization exceeding $300,000,000 for a period of 10 consecutive trading days; (b) an arm's length take-over bid being made for the Units, provided that not less than 51% of the Class A Units not held by the offer or are taken-up in such bid; and (c) substantially all of the assets of Pure Multi being sold or Pure Multi being liquidated.

The Conversion Rights may be exercised by the Managing GP at any time provided that:

(a) Pure Multi is legally entitled to comply with its obligations in connection with the exercise of the Conversion Rights; and

(b) the Class B Unitholder who exercises the Conversion Rights complies with all applicable securities laws.

Upon the exercise of the Conversion Rights, the Class B Unitholders will receive that number of Class A Units which is equal to the Specified Ratio multiplied by the number of outstanding Class B Units. As such, pursuant the terms of the LP Agreement, the Class B Unitholders will receive such number of Class A Units representing the same Class B Unit Percentage Interest in the net assets of Pure Multi as was previously designated in the form of Class B Units. Subject to applicable laws, Pure Multi will redesignate all the interests of Class B Unitholders into Units at the Specified Ratio, as defined in the Preliminary Prospectus dated May 22, 2012, effective as of the date that Pure Multi receives a notice of exercise of the Conversion Rights. Upon such occurrence, the interests of Class B Unitholders will be redesignated as Class A Units. The Class B Units will not be required to be redeemed or cancelled.

Pursuant to the LP Agreement, the Managing GP or any Affiliate or Associate of the Managing GP which is then the Class B Unitholder, has agreed that it will not dispose of more than one-third of the class A Units received by it upon the conversion of the Class B Units in each consecutive twelve month period ending after the first anniversary of the earlier of: (i) the date a Determination Event occurs; and (ii) the date upon which the conversion is completed. This limitation will not apply where the Conversion Rights have been exercised in connection with a takeover bid or a sale of substantially all of Pure Multi's assets.

7. MANAGEMENT AND OTHER SERVICES

Asset Management Agreement:

The Managing GP, pursuant to the Asset Management Agreement, will provide asset management, administrative and reporting services to Pure Multi as its managing general partner. The Asset Management Agreement also requires the Managing GP to provide Pure Multi with support services consisting of office space and equipment and the necessary clerical and secretarial personnel for the administration of its day-to-day activities, at no cost. The Asset Management Agreement may be terminated by Pure Multi at any time upon the occurrence of certain events of default and at any other time upon not less than 60 days notice, without bonus or penalty. In lieu of the fees typically associated with a third party asset management agreement, the Managing GP will only be entitled to a reimbursement of any reasonable costs and expenses (including legal and audit costs but excluding personnel costs) that it incurs providing asset management services to Pure Multi and will not be entitled to any other remuneration or compensation for its services.

Initially, the directors of the Governing GP who are not affiliated with or employees of the Managing GP will receive annual compensation in the amount of $12,500, plus $500 for attendance at meetings of the directors or any committee. As well, the Governing GP will indirectly reimburse such directors for any out of pocket expenses, including out of pocket expenses for attending meetings. Pure Multi will reimburse the Governing GP for such amounts. In addition, Pure Multi will obtain insurance coverage for such directors. Compensation will be reviewed on an annual basis, giving consideration to Pure Multi's growth and the extent of its portfolio.

Voting Agreement

Pure Multi and Sunstone Multi-Family Investments Inc., which owns 100% of the outstanding shares of the Governing GP have entered into a voting agreement (the ''Voting Agreement'') that provides Pure Multi with a number of rights. Pursuant to the Voting Agreement, Sunstone Multi-Family Investments Inc. has agreed that any voting rights with respect to the Governing GP will be voted in favour of the election of directors approved by Pure Multi. For these purposes, Pure Multi may maintain, from time-to-time, an approved slate of nominees or provide direction with respect to the approval or rejection of any matter in the form of general guidelines, policies or procedures in which case no further approval or direction will be required. Any such general guidelines, policies or procedures may be modified by Pure Multi in its discretion.

In addition, pursuant to the Voting Agreement, Sunstone Multi-Family Investments Inc. has also agreed that any voting rights with respect to the Governing GP will be voted in accordance with the direction of the Unitholders of Pure Multi with respect to the approval or rejection of the following matters relating to the Governing GP:

(a) any sale of all or substantially all of its assets,

(b) any merger, amalgamation, consolidation, business combination or other material corporate transaction, except in connection with any internal reorganization that does not result in a change of control,

(c) any plan or proposal for a complete or partial liquidation or dissolution, or any reorganization or any case, proceeding or action seeking relief under any existing laws or future laws relating to bankruptcy or insolvency,

(d) any amendment to the LP Agreement; or

(e) any commitment or agreement to do any of the foregoing.

In addition, pursuant to the Voting Agreement, Sunstone Multi-Family Investments Inc. has agreed that it will not cause the Governing GP to resign as the Governing GP except with the prior consent of the Unitholders of Pure Multi. The Voting Agreement also contains restrictions on transfers of the shares of the Governing GP, except that Sunstone Multi-Family Investments Inc. may transfer shares of the Governing GP to any of its Affiliates.

8. CAPITAL MANAGEMENT

Pure Multi defines capital as partners' capital. Pure Multi's objectives in managing capital are to maintain a level of capital that complies with investment and debt restrictions pursuant to the initial offering prospectus; complies with existing debt covenants, if any; funds its business strategies; and builds long-term partners' value. Pure Multi's capital structure is approved by the board of directors of the Governing GP through its periodic reviews.

Expressed in United States dollars

There were no changes in Pure Multi's approach to capital management during the period ended June 30, 2012. The capital structure consisted of the following components at June 30, 2012:

	June 30, 2012
Capital	
Partners' capital	$ 1,000,020

As Pure Multi did not form until May 8, 2012, there is no comparison period. During the period ended June 30, 2012, Pure Multi issued Class B units and received a general partner capital contribution.

9. FINANCIAL INSTRUMENTS

Fair value of financial instruments

For Pure Multi's financial instruments, including cash and deposits, the carrying amounts approximate the fair values due to the short-term nature of the instruments.

The following table presents the carrying amounts and fair values of Pure Multi's financial instruments:

	June 30, 2012	
	Carrying Amount	Fair Value
Cash	$ 420,490	$ 420,490
Deposits	579,530	579,530

Financial risk management

The board of directors of the Governing GP has the overall responsibility for the establishment and oversight of Pure Multi's risk management framework. Pure Multi's risk management policies are established to identify and analyze the risks faced by Pure Multi, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in response to Pure Multi's activities.

10. SUBSEQUENT EVENTS

On July 10, 2012, Pure Multi completed its initial public offering (the "Offering"). Pursuant to the Offering Pure Multi issued 10,000,000 Class A units at a price of $5.00 per unit, for total gross proceeds of $50,000,000, less standard offering costs. The net proceeds from the IPO will be used by Pure Multi primarily for property acquisitions and general corporate purposes.

On July 12, 2012, Pure Multi, through the US REIT, acquired Windscape Apartment Homes, located in Grand Prairie, Texas, for a purchase price of $8,378,785, plus standard closing costs and adjustments. This acquisition was financed with cash and a new seven year mortgage in the amount of $5,090,000.

On July 12, 2012, Pure Multi, through the US REIT, acquired Oakchase Apartments, located in Arlington, Texas, for a purchase price of $13,580,133, plus standard closing costs and adjustments. This acquisition was financed with cash and a new five year mortgage in the amount of $8,940,000.

On July 18, 2012, Pure Multi completed the issuance today of 1,500,000 Class A units at a price of $5.00 per unit for total gross proceeds of US$7,500,000, less standard offering costs, pursuant to the exercise in full of the over-allotment option (the “Over-Allotment”). The net proceeds from the Over-Allotment will be used by Pure Multi primarily for property acquisitions and general corporate purposes.

On July 18, 2012, Pure Multi, through the US REIT, acquired a property, located in the Dallas-Fort Worth area of Texas, for a purchase price of $22,600,000, plus standard closing costs and adjustments. This acquisition was financed with cash and a new ten year mortgage in the amount of $13,680,000.