CHC Student Housing Announces Results for the Quarter and Year Ended December 31, 2017

Toronto, Ontario--(Newsfile Corp. - May 1, 2018) - CHC Student Housing Corp. (TSXV: CHC) ("CHC" or the "Company") announced today results for the quarter and year ended December 31, 2017. The Financial Statements and related Management's Discussion and Analysis ("MD&A") for the quarter and year ended December 31, 2017 are available under CHC's profile on SEDAR at www.sedar.com.

Highlights during the year ended December 31, 2017:

- Net Operating Income improved by 12.1% to $2,935,323.
- Net loss of $2,031,793 includes a fair value reduction of $900,000 on investment properties.
- In September 2017, the Company listed a property for sale, in January anoffer was received and a shareholders' vote was held on March 5, 2018, the offer was rejected by the shareholders.
- A management reorganization was completed in March 2018 resulting in the establishment of a new senior management team.

Summary of Selected Financial and Operational Information

The selected financial information below is based on and derived from the financial statements for the quarter and year ended December 31, 2017.

Statement of net income (loss)	**Three Months Ended December 31**		**Year Ended December 31**	
	2017	**2016**	**2017**	**2016**
Property revenues	$1,217,355	$1,494,823	$5,136,656	$5,301,521
Net Operating Income (NOI)	**$778,742**	**$778,832**	**$2,935,323**	**$2,618,272**
General & administrative expense	(647,139)	(242,578)	(1,565,911)	(1,068,317)
Transaction costs	-	(46,500)	-	686,588
Interest income	-	-	-	40
Stock-based compensation - changes in FMV	26,000	(182,000)	236,000	(149,000)
Interest expense	(808,711)	(714,801)	(2,960,711)	(2,738,473)
Fair value adjustment on investment properties	-	-	(900,000)	-
Gain on sale of investment properties	-	-	223,506	-
Net loss and comprehensive loss	**($651,108)**	**($407,047)**	**($2,031,793)**	**($650,890)**
Net income (loss) per share - basic and diluted	($0.24)	($0.17)	($0.79)	($0.28)
Funds From Operations (FFO)[1]	**($651,108)**	**($360,547)**	**($1,355,299)**	**($1,337,478)**
FFO per share	($0.24)	($0.15)	($0.53)	($0.57)
Adjusted Funds From Operations (AFFO)[1]	**($669,790)**	**($145,010)**	**($1,504,677)**	**($1,074,670)**
AFFO per share	($0.25)	($0.06)	($0.58)	($0.46)
Distributions of cash dividends	Nil	Nil	Nil	Nil
Weight average shares outstanding[2]	**2,716,465**	**2,335,181**	**2,576,487**	**2,335,181**

(1) FFO and AFFO are non-IFRS performance measures. Please refer to definition in section *Non-IFRS Performance Measures* in this press release.
(2) After giving effect to a Private Placement on May 15, 2017.

Revenues decreased by 3.1% or $165,865, year over year, primarily because of the sale of the Windsor property in August 2018. NOI increased by 12.1% or $317,051, year over year, the improvement in property performance was partially offset by a reduction of NOI due to the sale of the Windsor property. General and administrative expenses increased by 46.6% or $497,594, for the year ended 2017 compared to same period in 2016, primarily due to increases in professional and legal fees and wages and benefits related to transactions. Interest increased by 8.1% or $222,238 due to increases in interest rates on two properties.

AFFO loss increased by approximately 40% or $430,007, year over year, primarily due to increases in general and administrative costs and interest expense offset by property performance, as discussed above.

FFO & AFFO Reconciliation

The following table reconciles FFO and AFFO to GAAP net income (loss) and comprehensive income (loss):

Reconciliation from net income (loss) to FFO & AFFO	**Three Months Ended December 31**		**Year Ended December 31**	
	2017	**2016**	**2017**	**2016**
Net income (loss)	($651,108)	($407,047)	($2,031,793)	($650,890)
Add:				
Transaction costs	-	46,500	-	(686,588)
Fair value adjustment on investment properties	-	-	900,000	-
Gain on sale of investment properties	-	-	(223,506)	-
Funds From Operations (FFO)	**($651,108)**	**($360,547)**	**($1,355,299)**	**($1,337,478)**
Add/(subtract):				
Stock-based compensation - changes in FMV[1]	(26,000)	182,000	(236,000)	149,000
Amortization of financing transaction costs	8,237	30,161	87,542	108,229
Straight line rent	(919)	3,376	(919)	5,579

Adjusted Funds From Operations	($669,790)	($145,010)	($1,504,677)	($1,074,670)

(1) Compensation expense for option grants is based on the fair value of the options at the grant date and is recognized over the period from the grant date to the date the award is vested. A liability is recognized for outstanding options based upon the fair value as the Company is a mutual fund corporation and there are retraction rights to the share conditions attached to the common shares. During the period in which options are outstanding, the liability is adjusted for changes in the fair value with such adjustments being recognized as expense in the period in which they occur.

FFO for the three months ended December 31, 2017 and 2016 amounted to ($651,108) or ($0.24) per share and ($360,547) or ($0.15) per share respectively. FFO for the twelve months ended December 31, 2017 and 2016 amounted to ($1,355,299) or ($0.53) per share and ($1,337,478) or ($0.57) per share respectively. AFFO for the three months ended December 31, 2017 and 2016 was ($669,790) or ($0.25) and ($145,010) or ($0.06) per share respectively. AFFO for the twelve months ended December 31, 2017 and 2016 was ($1,504,677) or ($0.58) per share and ($1,074,670) or ($0.46) per share respectively.

The following table reconciles IFRS cash used in operating activities to AFFO:

Reconciliation from cash used in operating activity to AFFO	**Three Months Ended December 31**		**Year Ended December 31**	
	2017	**2016**	**2017**	**2016**
Cash used in operating activities	$20,624	$68,190	($1,801,593)	($333,418)
Add/(subtract):				
Net changes in non-cash working capital	(665,955)	(213,605)	337,349	(649,870)
Depreciation	(10,598)	404	(39,151)	(10,656)
Interest expense on mortgages payable	(800,473)	(684,640)	(2,873,169)	(2,630,244)
Cash interest paid	786,612	684,641	2,871,888	2,549,518
Adjusted Funds From Operations (AFFO)	**($669,790)**	**($145,010)**	**($1,504,677)**	**($1,074,670)**

Financial Position

The Company had cash on hand of $333,126 as at December 31, 2017. Total assets at December 31, 2017 were $59,468,771 compared $65,800,979 at December 31, 2016. The decrease was primarily caused by the sale of the Windsor property. The Windsor property debt was also assumed by the purchaser, reducing total liabilities by approximately $5 million.

Going Concern

The Company incurred a net loss of $2,031,793 for the year ended December 31, 2017 (year ended December 31, 2016 - net loss of $650,890) and as at December 31, 2017 had a working capital deficit of $52,234,037 including the long-term debt and mortgages payable on the company's London Property which was held for sale (December 31, 2016 - $53,340,159).

The Company's ability to continue operations in the normal course of business is dependent on several factors, including its ability to secure additional funding. The Company has obtained extensions on existing terms from its lenders in respect of it's mortgages on London and Trois-Rivières while it works through its strategic review process (see below) but the mortgages remain payable on demand. In addition, the Company has completed a private placement offering (see below) and continues to explore all available options to secure additional funding, including new strategic partnerships given the failed transaction with Dundee Acquisition Ltd., as well as the sale of the Company or all or a portion of its assets.

In the event the Company is unable to arrange appropriate financing or strategic alternatives, the carrying value of the Company's assets and liabilities could be subject to material adjustment. Furthermore, these conditions indicate the existence of a material uncertainty that raises substantial doubt on the Company's ability to continue as a going concern.

As previously disclosed, the Company's Board had formed a special committee of independent directors to identify, examine and consider strategic and financial alternatives potentially available to the Company, as announced on April 11, 2017. In working with the special committee, the Board accepted an offer to sell the Windsor Property and subsequently closed on the sale on August 21, 2017. The sale of the property allowed the Company to pay down a portion of the demand mortgage on the Trois-Rivières Property by $600,000 and to reduce the Company's other liabilities by approximately $900,000. The remainder of the funds were used to fund ongoing operations.

On May 15, 2017 the Company closed on aggregate proceeds of $667,247 under a non-brokered private placement (the "Private Placement"). The Company used the proceeds of the Private Placement to address its current working capital position including to satisfy certain trade payables and to fund the Company's operations while its special committee pursues the Company's strategic review process.

In the event the Company is unable to arrange appropriate financing or strategic alternatives, the carrying value of the Company's assets and liabilities could be subject to material adjustment. Furthermore, these conditions indicate the existence of a material uncertainty that raises substantial doubt on the Company's ability to continue as a going concern.

About CHC Student Housing Corp.

CHC Student Housing (TSXV: CHC) is Canada's only publicly traded company offering high-quality purpose-built multi-residential student housing properties strategically located on campus or in close proximity to universities and colleges providing students a safe and secure living environment, affordable prices and high-quality amenities. CHC is focused on acquiring, developing and managing student housing in primary and well understood secondary markets in Canada. For more information, visit CHC at www.chcstudenthousing.com.

Non-IFRS Measures

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The following measures: net operating income (or "NOI"), funds from operations (or "FFO"), FFO per share, adjusted funds from operations (or "AFFO") and AFFO per share, are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS, and should not be compared to or construed as alternatives to profit/loss, cash flow from operating activities or other measures of financial performance determined in accordance with IFRS. However, these non-IFRS measures are recognized supplemental measures of performance for real estate issuers widely used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties, and the Company believes they provide useful supplemental information to both management and readers in measuring the financial performance of the Company. Further details on non-IFRS measures are set out in the Company's Management's Discussion and Analysis for the period ended December 31, 2015 and available on the Company's profile on SEDAR at www.sedar.com.

Forward Looking Information

This press release contains 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 Company'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. Such information includes, without limitation, information regarding the business strategies of CHC. Although CHC believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. CHC cautions investors that any forward-looking information provided by CHC is not a guarantee of future results or performance, and that actual results may differ materially from those in forward looking information as a result of various factors, including, but not limited to: CHC's ability to complete proposed or contemplated transactions; the state of the real estate sector generally; recent market volatility; CHC's ability to secure the necessary financing or to be fully able to implement its business strategies; and other risks and factors that CHC is unaware of at this time. A variety of factors, many of which are beyond the CHC's control, affect the operations, performance and results of the Company 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 CHC's materials filed with Canadian securities regulatory authorities from time to time, copies of which may be accessed through CHC's profile on SEDAR at www.sedar.com. 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.

The forward-looking information included in this press release relate only to events or information as of the date hereof. Except as specifically required by applicable Canadian law, CHC undertakes no obligation to update or revise publicly any forward-looking information, whether because of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there by any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Neither the TSX Venture Exchange ("TSXV") nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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