



DREAM GLOBAL REIT ANNOUNCES \$85 MILLION EQUITY OFFERING AND INTENTION TO REDEEM CONVERTIBLE DEBENTURES

This news release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.

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TORONTO, July 14, 2016 DREAM GLOBAL REIT (DRG.UN-TSX, “Dream Global” or the “Trust”) announced today that it has entered into an agreement to sell 9,450,000 units of the Trust (the “Units”) on a bought deal basis at a price of \$9.00 per Unit to a syndicate of underwriters led by TD Securities Inc. (the “Underwriters”) for gross proceeds of \$85,050,000 (the “Offering”). In addition, Dream Global has granted the Underwriters an over-allotment option, exercisable for a period of 30 days following closing of the Offering, to purchase up to an additional 1,417,500 Units which, if exercised in full, would increase the gross proceeds of the Offering to \$97,807,500. Closing of the Offering is expected to occur on or about August 5, 2016. The Offering is subject to certain customary conditions, including the approval of the Toronto Stock Exchange.

The Trust intends to use the net proceeds from the Offering to partially fund the acquisition of two office properties located in the Trust’s target markets in Germany, to partially fund the redemption of its outstanding 5.5% convertible unsecured subordinated debentures due July 31, 2018 (the “5.5% Convertible Debentures”), and for general trust purposes. In the event that one or both of the acquisitions do not close, the applicable portion of the net proceeds from the Offering may be used to fund the redemption of the 5.5% Convertible Debentures, for general trust purposes, or to fund future acquisitions.

Property Acquisitions

Dream Global is currently in exclusive or advanced negotiations on the acquisition of two properties located in the Trust’s target markets in Germany. These two well-located properties together comprise approximately 88,800 square meters (955,800 square feet) of gross leasable area and benefit from good transport connections. The two properties have a weighted average occupancy of approximately 99%, with strong covenants, and an average term of approximately 7.8 years. The combined purchase price of the two properties is anticipated to be approximately €105.6 million (\$151.5 million) and will be funded partially from the proceeds of the Offering with the remainder funded through the Trust’s ongoing capital recycling program. Dream Global is seeking to acquire these assets at an average going-in cap rate of approximately 7.6%, which would represent a spread of over 600 basis points over current long-term mortgage financing rates, translating to an AFFO yield of over 11%, which is expected to be accretive to the Trust’s current cost of capital. The Trust is currently working towards settling definitive documentation with the goal of closing on these two transactions in the fourth quarter of 2016.

Redemption of 5.5% Convertible Debentures

The Trust intends to redeem all of its 5.5% Convertible Debentures totaling approximately \$161 million of principal amount. The lending environment in Germany remains favourable and the Trust is currently working toward refinancing a number of its properties at attractive rates in order to generate proceeds from additional mortgage debt. Dream Global anticipates that it will apply the net proceeds of these refinancings, together with a portion of net proceeds of the Offering, to redeem its outstanding 5.5% Convertible Debentures.

Benefits of the Transactions

Upon completion of the transactions referred to above, which are targeted to occur by year-end, the Trust will achieve a number of key objectives, including an improvement in its overall portfolio quality, an increase in tenant diversification, a reduction in leverage and increased financial flexibility to pursue future acquisitions or joint ventures.

Description of the Offering

The Units will be offered by way of a short form prospectus to be filed on or about July 28, 2016 with the securities commissions and other similar regulatory authorities in each of the provinces of Canada.

This news release is not an offer of securities for sale in the United States. The securities being offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and accordingly are not being offered for sale and may not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except pursuant to an exemption from the registration requirements of that Act.

About Dream Global REIT

Dream Global is an unincorporated, open-ended real estate investment trust that provides investors with the opportunity to invest in commercial real estate exclusively outside of Canada. Dream Global's portfolio currently consists of approximately 13.5 million square feet of gross leasable area of office, industrial and mixed- use properties across Germany and Austria. For more information, please visit www.dreamglobalreit.ca.

Forward-looking information

This news release contains forward-looking information within the meaning of applicable securities legislation. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", or "continue", or similar expressions suggesting future outcomes or events. Some of the specific forward-looking information may include, among other things, the anticipated closing date of the Offering, information relating to the acquisition of two properties in the Trust's target markets in Germany currently being considered by the Trust, including the anticipated combined purchase price, going-in cap rate and spread over the long-term mortgage financing rate referred to in this news release, the Trust's intention to redeem its outstanding 5.5% Convertible Debentures and the anticipated timing of notice and redemption of the debentures, the Trust's intention to refinance its properties at attractive rates, the Trust's intention to use the proceeds of those refinancings together with a portion of the proceeds of the Offering to redeem its outstanding 5.5% Convertible Debentures, the anticipated timing of completion of the acquisitions and refinancings referred to above, and the effects of the transactions described above to the Trust's AFFO yield and cost of capital. Forward looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dream Global's control that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, global and local economic and business conditions; the financial condition of tenants; the Trust's ability to refinance its debt on favourable terms; leasing risks, including those associated with the ability to lease vacant space; and interest and currency rate functions; and with respect to the potential acquisitions referred to in this news release, the risk of failure to reach definitive agreements relating to the acquisitions, to receive any required approvals or consents in connection with the acquisitions, to satisfy or waive any conditions to the acquisitions or to realize the expected benefits from the acquisitions, as well as the risk that the properties may not perform as anticipated. Dream Global expects to continue its due diligence and negotiations in respect of these acquisitions and will actively pursue these and other investment opportunities. There can be no assurance, however, that any of these discussions will result in definitive agreements or, if they do, what the terms or timing of any acquisitions would be. Forward-looking information in this news release is based on certain assumptions, including that the future occupancy, market rents, lease terms and rental income relating to the two properties referred to in this news release will be as anticipated based on the Trust's due diligence, the Trust will be able to refinance its properties on favourable terms, the Canadian and European economies remain stable, interest rates remain stable, conditions within the real estate market remain consistent, competition for acquisitions remains consistent with the current climate and that the capital markets continue to provide ready access to equity and/or debt. All forward-looking information in this press release speaks as of the date of this news release. Dream Global does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in Dream Global's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dream Global's website at www.dreamglobalreit.ca.

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