

DREAM INDUSTRIAL REIT REPORTS 4% GROWTH IN AFFO PER UNIT OVER PRIOR YEAR

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.

TORONTO, FEBRUARY 16, 2016, DREAM INDUSTRIAL REIT (DIR.UN-TSX) today announced its financial results for the three and twelve months ended December 31, 2015.

HIGHLIGHTS

- **Adjusted Funds From Operations (“AFFO”) per unit increased by 4.0% over prior year** – Largely as a result of acquisitions completed in September 2014, comparative properties growth, and interest savings on re-financings.
- **Comparative Properties Net Operating Income increased by 1.2% over 2014** – Driven by contractual rent increases and positive leasing spreads.
- **AFFO payout ratio decreased to 85.1%** – The AFFO payout ratio was 85.1% in 2015 compared to 88.5% in 2014, reflecting the growth in cash flow from the portfolio.
- **Capital recycling program** – During the quarter, the Trust sold a 59,000 square foot single-tenant property in the Greater Toronto Area (“GTA”). The Trust completed \$21 million in dispositions and \$22 million in acquisitions for the year. Additionally, the Trust has two non-core assets in various stages of a sale process, and maintains an ongoing program to review non-core asset strategies.
- **1.5 million square feet of lease commitments completed to date** – Representing 51% of 2016 expiries.

SELECTED FINANCIAL INFORMATION					
(un-audited)					
(\$000's except unit and per unit amounts)	Three Months Ended			Year Ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Investment properties revenue	\$ 44,463	\$ 43,634	\$ 44,588	\$ 176,992	\$ 166,249
Net operating income (“NOI”) ⁽¹⁾	29,913	29,872	29,989	119,446	112,764
Funds from operations (“FFO”) ⁽¹⁾	18,732	18,742	18,833	74,826	70,484
Adjusted funds from operations (“AFFO”) ⁽¹⁾	16,191	16,044	15,541	63,975	58,028
Investment properties	1,692,856	1,689,412	1,681,781	1,692,856	1,681,781
Debt	923,101	911,425	921,293	923,101	921,293
Per unit data^{(1), (2)}					
FFO – diluted ⁽¹⁾	\$ 0.237	\$ 0.238	\$ 0.240	\$ 0.951	\$ 0.944
AFFO – diluted ⁽¹⁾	0.207	0.206	0.202	0.823	0.791
Distributions	0.175	0.175	0.175	0.700	0.700
FFO payout ratio ^{(1), (3)}	73.8%	73.5%	72.9%	73.6%	74.2%
AFFO payout ratio ^{(1), (3)}	84.5%	85.0%	86.6%	85.1%	88.5%
Units (period-end)					
REIT Units	58,645,223	58,484,305	58,035,125	58,645,223	58,035,125
LP Class B Units	18,551,855	18,551,855	18,551,855	18,551,855	18,551,855
Total number of units	77,197,078	77,036,160	76,586,980	77,197,078	76,586,980
Portfolio gross leasable area (square feet)					
Occupied and committed space	16,979,158	16,928,397	16,942,899	16,979,158	16,942,899
Average occupancy for the period	95.0%	94.6%	96.0%	95.0%	96.0%
	93.7%	93.4%	94.6%	94.0%	94.4%

See footnotes on page 3.

“Amid the challenging Canadian economy, Dream Industrial REIT continued to deliver consistent growth in AFFO per unit,” said Brent Chapman, President and Chief Executive Officer.

FINANCIAL HIGHLIGHTS

- **Increase in FFO per unit** – FFO per unit was 95.1 cents for the year, 0.7% higher than in 2014. FFO for the quarter was 23.7 cents per unit, a slight decrease compared to the same period in the prior year, and remained stable compared to the third quarter of 2015. The year-over-year increase was largely a result of our September 2014 acquisitions and comparative properties NOI growth.
- **AFFO Growth** – AFFO for the quarter was \$16.2 million, or 20.7 cents on a per unit basis. AFFO per unit for the quarter was 2.5% higher compared to the same period in the prior year and remained relatively flat compared to the third quarter of 2015. The increase in AFFO was driven by the same factors as FFO growth, and interest savings on refinancings.
- **Total NOI of \$29.9 million for the quarter** – Total NOI for the quarter remained stable compared to the same period last year, and increased to \$119.4 million for the year ended December 2015, or 5.9%, compared to prior year, primarily as a result of acquisitions completed in September 2014 and comparative properties NOI growth of 1.2%.
- **Stable capital structure** – Interest coverage of 3.1 times and a weighted average term to maturity of 3.7 years.

OPERATIONAL HIGHLIGHTS

- **Leasing profile** – Leasing activity during the fourth quarter included 301,000 square feet of new leases, 433,000 square feet of renewals, and lease commitments of 267,000 square feet, compared to 805,000 square feet of expiries and early terminations. The average remaining lease term at December 31, 2015 was 4.3 years.
- **Portfolio occupancy at 95.0%** – Overall occupancy (including committed space) was 95.0% compared to 94.6% at September 30, 2015 and 96.0% at December 31, 2014. Leasing commitments for vacant space for the quarter totalled 267,000 square feet.
- **Positive leasing spreads on renewals** – In-place rents remained stable at \$7.14 per square foot compared to September 30, 2015. Renewals for the quarter were completed at \$6.88 per square foot, which is \$0.14, or 2.1%, above the expiring rates.
- **Estimated market rents 2.9% above average in-place rents** – At quarter-end, estimated market rents were approximately 2.9% above the Trust's current average in-place rents of \$7.14 per square foot (September 30, 2015 – \$7.15).

	GLA (million sq. ft.)	Occupancy (%)	Average lease term (years)	Average in-place rent (per sq. ft.)	Estimated market rent (per sq. ft.)
Western Canada	4.9	97.8	4.0	\$ 9.06	\$ 9.58
Ontario	5.2	96.5	4.1	5.99	6.05
Quebec	4.1	93.9	5.6	6.15	6.22
Eastern Canada	2.8	88.9	3.3	7.33	7.46
Total	17.0	95.0	4.3	\$ 7.14	\$ 7.35

CAPITAL STRUCTURE

The Trust's capital structure remained stable during the quarter, with its interest coverage of 3.1 times. The level of debt (debt-to-total assets) increased to 53.8% primarily due to a goodwill impairment, which reduced the Trust's total assets but has no impact on the underlying business. \$119 million of the Trust's assets were unencumbered as at December 31, 2015, providing an additional source of financial flexibility.

Key performance indicators	December 31, 2015	September 30, 2015	December 31, 2014
Level of debt (debt-to-total assets) ⁽¹⁾	53.8%	52.2%	52.9%
Interest coverage ratio ⁽¹⁾	3.1 times	3.1 times	3.0 times
Weighted average face interest rate on all debt ⁽⁴⁾	3.91%	3.94%	4.07%
Weighted average effective interest rate on all debt ⁽⁴⁾	3.81%	3.83%	3.85%
Debt – weighted average term to maturity (years)	3.7	4.0	3.9

During the quarter, the Trust completed a \$6.3 million mortgage financing for a term of five years at a rate of 3.25%, secured by a portfolio of six properties in Saskatchewan. The Trust continues to improve its financial metrics, and is strategically evaluating opportunities to take advantage of the current favourable interest rate environment, while continuing to maintain a balanced debt maturity profile.

CONFERENCE CALL

Senior management will host a conference call to discuss the results tomorrow, February 17, 2016 at 2:00 p.m. (ET). To access the conference call, please dial 1-888-465-5079 in Canada and the United States or 416-216-4169 elsewhere and use passcode 9411 711#. To access the conference call via webcast, please go to Dream Industrial REIT's website at www.dreamindustrialreit.ca and click on the link for News & Events, then click on Calendar of Events. A taped replay of the conference call and the webcast will be available for ninety (90) days following the call.

Other information

Information appearing in this news release is a select summary of results. The consolidated financial statements and management's discussion and analysis for the Trust will be available at www.dreamindustrialreit.ca and on www.sedar.com.

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. Dream Industrial REIT owns a portfolio of 219 primarily light industrial properties comprising approximately 17.0 million square feet of gross leasable area in key industrial markets across Canada. Its objective is to build upon and grow its portfolio and to provide stable, sustainable and growing cash distributions to its unitholders. For more information, please visit www.dreamindustrialreit.ca.

FOOTNOTES

(1) AFFO, FFO, comparative properties NOI, NOI, FFO and AFFO payout ratios, level of debt (debt-to-total assets) and interest coverage ratio are non-GAAP measures used by Management in evaluating operating performance and debt management. Please refer to the cautionary statements under the heading "Non-GAAP Measures" in this press release.

(2) A description of the determination of diluted amounts per unit can be found in our Management's Discussion and Analysis for the three and twelve months ended December 31, 2015 under the heading "Non-GAAP Measures and Other Disclosures".

(3) Payout ratios for FFO and AFFO (non-GAAP measures) are calculated as the ratio of distribution rate to diluted FFO and AFFO per unit, respectively.

(4) Weighted average effective interest rate is calculated as the weighted average face rate of interest net of amortization of fair value adjustments and financing costs of all interest bearing debt. Weighted average face interest rate is calculated as the weighted average face interest rate of all interest bearing debt.

Non-GAAP Measures

The Trust's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures, including net operating income ("NOI"), comparative properties NOI, funds From operations ("FFO"), adjusted funds from operations ("AFFO"), FFO payout ratio, AFFO payout ratio, level of debt (debt-to-total assets) and interest coverage ratio as well as other measures discussed elsewhere in this release. These non-GAAP measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other income trusts. The Trust has presented such non-GAAP measures as Management believes they are relevant measures of the Trust's underlying operating performance and debt management. Non-GAAP measures should not be considered as alternatives to net income, cash generated from (utilized in) operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow, and profitability. For a full description of these measures, please refer to the "Non-GAAP Measures and Other Disclosures" in Dream Industrial REIT's Management's Discussion and Analysis for the three and twelve months ended December 31, 2015.

Forward looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements regarding the timing of certain transactions. 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 Industrial REIT's control, which 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, general and local economic and business conditions; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; and interest and currency rate fluctuations. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains 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 press release. Dream Industrial REIT 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 Industrial REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dream Industrial REIT's website at www.dreamindustrialreit.ca.

For further information, please contact:

Dream Industrial REIT

Brent Chapman
President and Chief Executive Officer
(416) 365-5265
bchapman@dream.ca

Lenis Quan
Chief Financial Officer
(416) 365-2353
lquan@dream.ca