

## DREAM INDUSTRIAL REIT ANNOUNCES STABLE FIRST QUARTER FINANCIAL RESULTS

*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, MAY 3, 2016, DREAM INDUSTRIAL REIT (DIR.UN-TSX)** today announced its financial results for the three months ended March 31, 2016.

### HIGHLIGHTS

- **Adjusted Funds From Operations (“AFFO”) per unit was stable at 20 cents** compared to the three months ended March 31, 2015 and decreased by 0.5 cents compared to the three months ended December 31, 2015.
- **In-place occupancy of 93.5% compared to 93.4% at December 31, 2015** and 94.2% at March 31, 2015. Total occupancy at March 31, 2016, including over 201,000 square feet in committed occupancies, was at 94.7%. To date, commitments have been obtained for over 70% of the total 3.0 million of expiring leases and terminations in 2016.
- **Maintained strong leasing pipeline during the quarter** by commencing over 900,000 square feet of renewals and new leases at an average 6.9% rental rate increase.
- **Capital recycling program** continues with the sale of a 41,000 square foot property in Moncton, New Brunswick. The Trust is also in the advanced stages of selling a 115,000 square foot building in Laval, Quebec.
- **Leverage remained stable at 53.7%** with interest coverage of 3.1 times and a weighted average term to maturity on debt of 4.0 years.

### SELECTED FINANCIAL INFORMATION

(unaudited) (\$000's except unit and per unit amounts)	March 31, 2016	December 31, 2015	Three Months Ended March 31, 2015
Investment properties revenue	\$ 44,037	\$ 44,463	\$ 43,940
Net operating income (“NOI”) <sup>(1)</sup>	29,655	29,913	29,703
Funds from operations (“FFO”) <sup>(1)</sup>	18,291	18,732	18,621
Adjusted funds from operations (“AFFO”) <sup>(1)</sup>	15,785	16,191	15,603
Investment properties value	1,701,012	1,700,992	1,691,477
Debt	920,320	923,101	910,846
<b>Per unit data<sup>(1), (2)</sup></b>			
AFFO – diluted <sup>(1)</sup>	0.202	0.207	0.202
FFO – diluted <sup>(1)</sup>	0.231	0.237	0.237
Distributions	0.175	0.175	0.175
FFO payout ratio (%) <sup>(1), (3)</sup>	75.8%	73.8%	73.8%
AFFO payout ratio (%) <sup>(1), (3)</sup>	86.6%	84.5%	86.6%
<b>Units (period-end)</b>			
REIT Units	58,932,723	58,645,223	58,196,975
LP Class B Units	18,551,855	18,551,855	18,551,855
Total number of units	<u>77,484,578</u>	<u>77,197,078</u>	<u>76,748,830</u>
Portfolio gross leasable area (square feet)	16,980,919	16,979,158	16,944,061
Occupied and committed space	94.7%	95.0%	95.3%
Average occupancy for the period	<u>93.7%</u>	<u>93.7%</u>	<u>94.7%</u>

*See footnotes on page 3.*

*“Dream Industrial delivered solid financial and operating results in a challenging economic environment” said Brent Chapman, President and Chief Executive Officer. “While we remain cautious on the West and some parts of Eastern Canada, our focus remains on tenant retention having addressed over 70% of our 2016 expiries.”*

## FINANCIAL HIGHLIGHTS

- **FFO per unit** – FFO for the quarter was 23.1 cents per unit versus 23.7 cents for the same period in the prior year resulting from lower comparative properties NOI and higher general and administrative expenses, offset by the impact of 2015 acquisitions. FFO decreased by 2.5% compared to the fourth quarter of 2015 due to lower comparative properties NOI.
- **AFFO per unit** – AFFO for the quarter was \$15.8 million, or 20.2 cents on a per unit basis. AFFO per unit remained flat compared to the prior year comparative quarter. AFFO per unit decreased by 2.4% compared to the fourth quarter of 2015 due to the same factors as FFO.
- **Total NOI of \$29.7 million for the quarter** – Total NOI for the quarter remained stable compared to the same quarter last year. NOI decreased slightly compared to the fourth quarter of 2015 due mainly to higher expense recoveries at year end.
- **Stable capital structure** – Interest coverage of 3.1 times and a weighted average term to maturity of 4.0 years.

## OPERATIONAL HIGHLIGHTS

- **Leasing profile** – Leasing activity during the first quarter included 332,000 square feet of new leases, 595,000 square feet of renewals, and lease commitments of 201,000 square feet, compared to 908,000 square feet of expiries and early terminations. The average remaining lease term at March 31, 2016 was 4.2 years.
- **Portfolio occupancy at 94.7%** – Overall occupancy (including committed space) was 94.7% compared to 95.0% at December 31, 2015 and 95.3% at March 31, 2015. Leasing commitments for vacant space for the quarter totalled 201,000 square feet.
- **Positive leasing spreads on renewals** – In-place rents remained at \$7.15 per square foot, consistent with the previous quarter. Renewals for the quarter were completed at \$5.56 per square foot, which was 6.9% above the expiring rates.
- **Solid Tenant Renewal ratio** of 69.2% compared to 63% for the three months and year ended December 31, 2015, respectively. Adjusted for tenants that relocated within our portfolio, the tenant retention ratio was 71.6%.
- **In-place rents remain stable at \$7.15 per square foot** – The Trust’s current average in-place rents were \$7.15 per square foot (December 31, 2015 – \$7.14).

	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	97.7	4.0	\$ 9.05	\$ 9.56
Ontario	5.2	95.2	4.0	5.99	6.05
Quebec	4.1	95.3	5.4	6.17	6.20
Eastern Canada	2.8	87.7	3.3	7.35	7.48
<b>Total</b>	17.0	94.7	4.2	\$ 7.15	\$ 7.34

## CAPITAL STRUCTURE

The Trust's capital structure was stable during the quarter, with its level of debt (debt-to-total assets) at 53.7% and interest coverage of 3.1 times. \$132 million of the Trust's assets were unencumbered as at March 31, 2016, providing an additional source of financial flexibility.

Key performance indicators	March 31, 2016	December 31, 2015	March 31, 2015
Level of debt (debt-to-total assets) <sup>(1)</sup>	53.7%	53.8%	52.4%
Interest coverage ratio <sup>(1)</sup>	3.1 times	3.1 times	3.0 times
Weighted average face interest rate on all debt <sup>(4)</sup>	3.87%	3.91%	4.01%
Weighted average effective interest rate on all debt <sup>(4)</sup>	3.83%	3.81%	3.83%
Debt – weighted average term to maturity (years)	4.0	3.7	3.9

During the quarter, the Trust completed a \$27.5 million mortgage refinancing for a term of seven years at a rate of 3.04%. Trust also completed a \$31.8 million mortgage refinancing for a term of nine years at a rate of 3.50%. 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.

### Other information

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

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. Dream Industrial REIT owns and operates a portfolio of 219 geographically diversified light industrial properties comprising approximately 17.0 million square feet of gross leasable area in key markets across Canada. Its objective is to build upon and grow its portfolio and to provide stable and sustainable cash distributions to its unitholders. For more information, please visit [www.dreamindustrialreit.ca](http://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 months ended March 31, 2016 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 condensed 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 months ended March 31, 2016.*

**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](http://www.dreamindustrialreit.ca).*

For further information, please contact:

**Dream Industrial REIT**

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

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