

## DREAM INDUSTRIAL REIT ANNOUNCES STABLE SECOND 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, AUGUST 9, 2016, DREAM INDUSTRIAL REIT (DIR.UN-TSX)** today announced its financial results for the three and six months ended June 30, 2016.

### HIGHLIGHTS

- **Adjusted Funds From Operations (“AFFO”) per unit for the quarter was 20.0 cents** compared to 20.2 cents for the three months ended March 31, 2016.
- **In-place occupancy increased to 93.7%** compared to 93.5% at March 31, 2016. Total occupancy at June 30, 2016, including over 180,000 square feet in committed occupancies, was at 94.7%, remaining stable quarter-over-quarter.
- **Steady leasing pipeline maintained** with approximately 721,000 square feet of new leasing and renewals commenced in the second quarter. To date, commitments have been obtained for over 85% of the total 3.1 million of expiring leases and terminations in 2016.
- **Capital recycling program continues** with the sale of a 115,000 square foot property in Laval, Québec, for gross proceeds of \$6.8 million. Subsequent to quarter end, the Trust also closed on a 327,000 square foot single-tenant property in Montréal at a 5.8% cap rate and a 16,000 square foot building in Gatineau, Québec, for combined gross proceeds for \$38.4 million.
- **Leverage decreased by 40 basis points to 53.3%** with interest coverage of 3.1 times and a weighted average term to maturity on debt of 3.9 years.

### SELECTED FINANCIAL INFORMATION

(unaudited) (\$000's except unit and per unit amounts)	Three Months Ended			Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Investment properties revenue	\$ 44,704	\$ 44,037	\$ 44,955	\$ 88,741	\$ 88,895
Net operating income (“NOI”) <sup>(1)</sup>	29,530	29,655	29,958	59,185	59,661
Funds from operations (“FFO”) <sup>(1)</sup>	18,150	18,291	18,731	36,441	37,352
Adjusted funds from operations (“AFFO”) <sup>(1)</sup>	15,623	15,785	16,137	31,408	31,740
Investment properties value	1,707,152	1,701,012	1,702,967	1,707,152	1,702,967
Debt	914,021	920,320	921,165	914,021	921,165
<b>Per unit data<sup>(1), (2)</sup></b>					
AFFO – diluted <sup>(1)</sup>	\$ 0.200	\$ 0.202	\$ 0.208	\$ 0.402	\$ 0.409
FFO – diluted <sup>(1)</sup>	0.229	0.231	0.238	0.461	0.475
Distributions	0.175	0.175	0.175	0.350	0.350
FFO payout ratio (%) <sup>(1), (3)</sup>	76.4%	75.8%	73.5%	75.9%	73.7%
AFFO payout ratio (%) <sup>(1), (3)</sup>	87.5%	86.6%	84.1%	87.1%	85.6%
<b>Units (period-end)</b>					
REIT Units	59,117,023	58,932,723	58,332,810	59,117,023	58,332,810
LP Class B Units	18,551,855	18,551,855	18,551,855	18,551,855	18,551,855
Total number of units	77,668,878	77,484,578	76,884,665	77,668,878	76,884,665
Portfolio gross leasable area (square feet)	16,981,459	16,980,919	16,995,177	16,981,459	16,995,177
Occupied and committed space	94.7%	94.7%	95.0%	94.7%	95.0%
Average occupancy for the period	93.5%	93.7%	94.2%	93.6%	94.2%

See footnotes on page 4.

*“Dream Industrial delivered stable financial and operating results for the second quarter,” said Brent Chapman, President and Chief Executive Officer. “Positive leasing activity in our Ontario and Québec properties balanced the performance of our more challenging Western and Eastern portfolios.”*

## FINANCIAL HIGHLIGHTS

- **FFO per unit** – FFO for the quarter was 22.9 cents per unit versus 23.8 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 per unit decreased by 0.9% compared to the first quarter of 2016 due to lower comparative properties NOI.
- **AFFO per unit** – AFFO for the quarter was \$15.6 million, or 20 cents on a per unit basis. AFFO per unit for the quarter was 3.8% lower than the prior year comparative quarter due to the same factors as FFO. AFFO per unit decreased by 1.0% compared to the first quarter of 2016 due to the same factors as FFO.
- **Total NOI of \$29.5 million for the quarter** – Total NOI was 1.4% lower when compared to the same quarter last year, primarily due to lower comparative properties NOI. NOI was relatively consistent with the first quarter of 2016 with a slight decrease mainly from lower comparative properties NOI.
- **Stable capital structure** – Interest coverage of 3.1 times and a weighted average term to maturity of 3.9 years.

## OPERATIONAL HIGHLIGHTS

- **Capital recycling** – The Trust completed \$46.7 million in dispositions year-to-date, including two dispositions subsequent to the quarter. The Trust is in various stages of a sale process for two non-core assets. After repayment of debt, the dispositions are expected to have a minimal impact on the Trust’s annual cash flows and will provide additional financial flexibility to pursue future accretive opportunities.
- **Leasing profile** – Leasing activity during the second quarter included 352,000 square feet of new leases, 369,000 square feet of renewals, and lease commitments of 180,000 square feet, compared to 700,000 square feet of expiries and early terminations. The average remaining lease term at June 30, 2016 is 4.2 years.
- **Portfolio occupancy at 94.7%** – Overall occupancy (including committed space) remained stable at 94.7% at June 30, 2016 when compared to March 31, 2016 and decreased slightly year-over-year from 95.0% at June 30, 2015. Leasing commitments on vacant space for the quarter totalled 180,000 square feet.
- **Tenant retention of 69.4%** – The Trust retained 69.4% of expiring tenants during Q2.
- **In-place rents remain stable at \$7.14 per square foot** – The Trust’s current average in-place rents were \$7.14 per square foot (March 31, 2016 – \$7.15).

	GLA (million sq. ft.)	Occupancy (%)	Average lease term (years)	Average in-place rent (per sq. ft.)
Western Canada	4.9	96.7	4.0	\$ 9.07
Ontario	5.2	95.8	3.9	5.97
Québec	4.1	95.7	5.3	6.19
Eastern Canada	2.8	87.7	3.3	7.34
Total	17.0	94.7	4.2	\$ 7.14

## CAPITAL STRUCTURE

The Trust's capital structure was stable during the quarter, with its level of debt (debt-to-total assets) at 53.3% and interest coverage of 3.1 times. \$104 million of the Trust's assets were unencumbered as at June 30, 2016, providing an additional source of financial flexibility.

Key performance indicators	June 30, 2016	March 31, 2016	June 30, 2015
Level of debt (debt-to-total assets) <sup>(1)</sup>	53.3%	53.7%	52.6%
Interest coverage ratio <sup>(1)</sup>	3.1 times	3.1 times	3.1 times
Weighted average face interest rate on all debt	3.86%	3.87%	3.94%
Weighted average effective interest rate on all debt	3.86%	3.83%	3.80%
Debt – weighted average term to maturity (years)	3.9	4.0	3.7

*See footnotes on page 4*

During the quarter, the Trust extended the maturity date of the revolving credit facility to June 30, 2019 and increased the borrowing capacity to \$100 million from \$75 million. 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.

## APPOINTMENT

The Board of Trustees is very pleased to announce the appointment of J. Michael Knowlton as an independent trustee of Dream Industrial.

Mr. Knowlton is a corporate director and has 25 years of experience in real estate. He retired from Dream Asset Management Corporation (formerly Dundee Realty Corporation) ("DAM"), the REIT's asset manager, in 2011 where he held the position of President and Chief Operating Officer of Dream Office REIT (formerly Dundee REIT). He joined DAM in 1998, holding various positions with DAM and Dream Office REIT, before becoming President of Dream Office REIT in 2006. Prior to that, he worked at OMERS Realty Corp. from 1990 until 1998 as Senior Vice President and Chief Financial Officer.

Mr. Knowlton also serves on the board of Crombie REIT and Tricon Capital Corp. and is a former trustee of True North Apartment REIT and Northwest Healthcare Properties REIT. Mr. Knowlton holds a Bachelor of Science degree in Engineering and a Master of Business Administration from Queen's University. Mr. Knowlton is qualified as a Chartered Professional Accountant and holds an ICD.D designation from the Institute of Corporate Directors.

## CONFERENCE CALL

Senior management will host a conference call to discuss the results tomorrow, August 10, 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 8314 745#. To access the conference call via webcast, please go to Dream Industrial REIT's website at [www.dreamindustrialreit.ca](http://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 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 and six months ended June 30, 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 and six months ended June 30, 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).*

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