

DREAM INDUSTRIAL REIT ANNOUNCES STABLE THIRD 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, NOVEMBER 4, 2016, DREAM INDUSTRIAL REIT (DIR.UN-TSX) today announced its financial results for the three and nine months ended September 30, 2016.

HIGHLIGHTS

- **Adjusted Funds From Operations (“AFFO”) per unit was stable at 20 cents** compared to the three months ended June 30, 2016.
- **Comparative properties net operating income increased by 1% over Q3 2015** – Driven by increased occupancy in Ontario and higher recoveries in Eastern Canada.
- **Portfolio occupancy including lease commitments of 94.5%** with Western Canada at 96.8%, Ontario at 96.3%, Quebec at 95.0% and Eastern Canada at 86.2%.
- **Leverage decreased by 60 basis points to 52.7%** with interest coverage of 3.1 times and a weighted average term to maturity on debt of 4.2 years.
- **Capital recycling program continued** during the quarter with the sale of a 327,000 square foot single-tenant property in Montréal and a 16,000 square foot building in Gatineau, Québec, for combined gross proceeds of \$38.4 million, bringing dispositions for the nine months ended September 30, 2016 to \$46.7 million.

SELECTED FINANCIAL INFORMATION

(unaudited)

	Three Months Ended			Nine Months Ended	
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
(\$000's except unit and per unit amounts)					
Investment properties revenue	\$ 43,233	\$ 44,704	\$ 43,634	\$ 131,974	\$ 132,529
Net operating income (“NOI”) ⁽¹⁾	29,426	29,530	29,872	88,611	89,533
Funds from operations (“FFO”) ⁽¹⁾	18,191	18,150	18,742	54,632	56,094
Adjusted funds from operations (“AFFO”) ⁽¹⁾	15,923	15,623	16,044	47,331	47,784
Investment properties	1,659,015	1,707,152	1,689,412	1,659,015	1,689,412
Debt	878,862	914,021	911,425	878,862	911,425
Per unit data ⁽¹⁾⁽²⁾					
FFO – diluted ⁽¹⁾	\$ 0.229	\$ 0.229	\$ 0.238	\$ 0.690	\$ 0.713
AFFO – diluted ⁽¹⁾	0.203	0.200	0.206	0.604	0.615
Distributions	0.175	0.175	0.175	0.525	0.525
FFO payout ratio (%) ⁽¹⁾⁽³⁾	76.4%	76.4%	73.5%	76.1%	73.6%
AFFO payout ratio (%) ⁽¹⁾⁽³⁾	86.2%	87.5%	85.0%	86.9%	85.4%
Units (period-end)					
REIT Units	59,275,687	59,117,023	58,484,305	59,275,687	58,484,305
LP Class B Units	18,551,855	18,551,855	18,551,855	18,551,855	18,551,855
Total number of units	77,827,542	77,668,878	77,036,160	77,827,542	77,036,160
Portfolio gross leasable area (square feet)	16,638,360	16,981,459	16,928,397	16,638,360	16,928,397
Occupied and committed space	94.5%	94.7%	94.6%	94.5%	94.6%
Average occupancy for the period	93.3%	93.5%	93.4%	93.5%	94.1%

See footnotes on page 3.

“The Canadian industrial market remained stable,” said Brent Chapman, President and Chief Executive Officer. “Dream Industrial delivered financial and operating results in line with our expectations.”

FINANCIAL HIGHLIGHTS

- **FFO per unit** – FFO for the quarter remained stable at 22.9 cents per unit when compared to the second quarter of 2016 and decreased by 3.8% from Q3 2015 at 23.8 cents per unit. The decrease from the same quarter last year was as a result of higher general and administrative expenses and lower NOI in the current quarter.
- **AFFO per unit** – AFFO for the quarter was \$15.9 million, or 20.3 cents on a per unit basis. AFFO per unit remained stable compared to the second quarter of 2016. AFFO per unit for the quarter was 1.5% lower than the prior year comparative quarter due to the same factors impacting the FFO decrease.
- **Total NOI of \$29.4 million for the quarter** – Total NOI was 1.5% lower when compared to the same quarter last year primarily due to dispositions completed in the last year. NOI was 0.4% lower than the second quarter of 2016 mainly due to dispositions completed during the quarter.
- **Stable capital structure** – Interest coverage of 3.1 times and a weighted average term to maturity of 4.2 years.

OPERATIONAL HIGHLIGHTS

- **Leasing profile** – Leasing activity during the third quarter included 204,000 square feet of new leases, 528,000 square feet of renewals, and lease commitments of 212,000 square feet, compared to 790,000 square feet of expiries and early terminations. The average remaining lease term at September 30, 2016 is 4.0 years.
- **Portfolio occupancy at 94.5%** – Overall occupancy (including committed space) was 94.5% compared to 94.7% at June 30, 2016 and 94.6% at September 30, 2015.
- **Tenant retention of 75.7%** – The Trust renewed and relocated 75.7% of expiring tenants during Q3.
- **In-place rents remain stable at \$7.13 per square foot** – The Trust’s current average in-place rent was \$7.13 per square foot (June 30, 2016 – \$7.14).
- **Capital recycling** – The Trust completed \$46.7 million in dispositions for the nine months ended September 30, 2016. After the 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.

	GLA (million sq. ft.)	Occupancy (%)	Average lease term (years)	Average in-place rent (per sq. ft.)
Western Canada	4.8	96.8	3.9	\$ 9.06
Ontario	5.2	96.3	3.8	5.99
Québec	3.8	95.0	4.9	6.12
Eastern Canada	2.8	86.2	3.4	7.21
Total	16.6	94.5	4.0	\$ 7.13

CAPITAL STRUCTURE

The Trust’s capital structure remained stable during the quarter, with its level of debt (debt-to-total assets) at 52.7% and interest coverage of 3.1 times. \$120 million of the Trust’s assets were unencumbered as at September 30, 2016, providing an additional source of financial flexibility.

Key performance indicators	September 30, 2016	June 30, 2016	September 30, 2015
Level of debt (debt-to-total assets) ⁽¹⁾	52.7%	53.3%	52.2%
Interest coverage ratio ⁽¹⁾	3.1 times	3.1 times	3.1 times
Weighted average face interest rate on all debt	3.83%	3.86%	3.94%
Weighted average effective interest rate on all debt	3.88%	3.86%	3.83%
Debt – weighted average term to maturity (years)	4.2	3.9	4.0

See footnotes on page 3

During the quarter, the Trust completed \$54.5 million in mortgage refinancings with a weighted average term of nine years at a weighted average face interest rate of 3.28%. 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 on Monday, November 7, 2016 at 10:00 a.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 7286 445#. 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 condensed 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 and operates a portfolio of 217 geographically diversified light industrial properties comprising approximately 16.6 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.

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 nine months ended September 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 nine months ended September 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.

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