

DREAM INDUSTRIAL REIT REPORTS STABLE 2016 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, February 21, 2017, DREAM INDUSTRIAL REIT (DIR.UN-TSX) today announced its financial results for the three months and year ended December 31, 2016.

HIGHLIGHTS

- **Diluted Adjusted Funds From Operations (“AFFO”) per unit was 19 cents and 79 cents** for the three months and year ended December 31, 2016 compared to 21 cents and 82 cents for the three months and year ended December 31, 2015. Excluding the impact of a charge related to the cost reduction program in the fourth quarter, diluted AFFO per unit was 20 and 80 cents for the same respective periods.
- **Comparative properties net operating income for the three months and year ended December 31, 2016 increased by 0.5% when compared to the same periods in 2015** – Driven by increased occupancy in Québec and higher recoveries in Ontario and Eastern Canada.
- **Portfolio occupancy including lease commitments increased to 95.2%** with Western Canada at 96.1%, Ontario at 96.5%, Québec at 96.3% and Eastern Canada at 89.8%.
- **Leverage remained stable at 52.6%** 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 two Ontario properties totalling 288,000 square feet and a 50,000 square foot single-tenant property in Pointe-Claire, Québec, for combined gross proceeds of \$23.0 million, bringing dispositions for the year to \$70.7 million.

SELECTED FINANCIAL INFORMATION

(unaudited)

	Three Months Ended			Year Ended	
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015
(\$000's except unit and per unit amounts)					
Investment properties revenue	\$ 42,715	\$ 43,233	\$ 44,463	\$ 174,689	\$ 176,992
Net operating income (“NOI”) ⁽¹⁾	28,776	29,426	29,913	117,387	119,446
Funds from operations (“FFO”) ⁽¹⁾	16,677	18,191	18,732	71,309	74,826
Adjusted funds from operations (“AFFO”) ⁽¹⁾	14,488	15,923	16,191	61,819	63,975
Investment properties	1,634,315	1,659,015	1,700,992	1,634,315	1,700,992
Debt	868,347	878,862	923,101	868,347	923,101
Per unit data ⁽¹⁾⁽²⁾					
FFO – diluted ⁽¹⁾	\$ 0.212	\$ 0.229	\$ 0.237	\$ 0.901	\$ 0.951
AFFO – diluted ⁽¹⁾	0.186	0.203	0.207	0.790	0.823
Distributions	0.175	0.175	0.175	0.700	0.700
FFO payout ratio (%) ⁽¹⁾⁽³⁾	82.5%	76.4%	73.8%	77.7%	73.6%
AFFO payout ratio (%) ⁽¹⁾⁽³⁾	94.1%	86.2%	84.5%	88.6%	85.1%
Units (period-end)					
REIT Units	59,633,237	59,275,687	58,645,223	59,633,237	58,645,223
LP Class B Units	18,551,855	18,551,855	18,551,855	18,551,855	18,551,855
Total number of units	78,185,092	77,827,542	77,197,078	78,185,092	77,197,078
Portfolio gross leasable area (square feet)	16,182,117	16,638,360	16,979,158	16,182,117	16,979,158
Occupied and committed space	95.2% ⁽⁴⁾	94.5%	95.0%	95.2% ⁽⁴⁾	95.0%
Average occupancy for the period	93.0%	93.3%	93.7%	93.4%	94.0%

See footnotes on page 3.

“Our portfolio continued to deliver stable financial results in the last quarter,” said Brent Chapman, President and Chief Executive Officer. “2016 was a challenging year, however, we are beginning to see positive momentum and we believe that our continued focus on leasing, together with a resilient portfolio will result in improved performance in 2017.”

FINANCIAL HIGHLIGHTS

- **Diluted FFO per unit** – Diluted FFO per unit for the three months and year was 21.2 cents and 90.1 cents. Excluding the impact of a charge related to the cost reduction program, FFO per unit was 22.4 cents and 91.3 cents, a decrease of 5.5% and 4.0%, respectively, when compared to the three months and year ended December 31, 2015. The decrease was largely due to higher bad debt expenses and higher general and administrative expenses.
- **Diluted AFFO per unit** – Diluted AFFO for the three months and year was 18.6 cents and 79 cents per unit. Excluding the impact of the charge related to the cost reduction program, diluted AFFO per unit was 19.8 cents and 80.2 cents, a decrease of 4.3% and 2.6%, respectively, when compared to the three months and the year ended December 31, 2015. Diluted AFFO per unit was lower than the prior year comparative quarter due to the same factors impacting FFO, offset by the reversal of certain accounting adjustments, such as straight-line rent and fair value adjustments on assumed debt.
- **Total NOI of \$28.8 million for the quarter and \$117.4 million for the year** – Total NOI was 3.8% and 1.7% lower than the comparative periods last year primarily due to dispositions completed in 2016. After factoring in the interest savings from the repayment of debt with the proceeds from dispositions, the impact of the dispositions on FFO was nominal for 2016.
- **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 fourth quarter included 248,000 square feet of new leases, 403,000 square feet of renewals, and lease commitments of 234,000 square feet, compared to 655,000 square feet of expiries and early terminations. The average remaining lease term at December 31, 2016 is 3.9 years.
- **Portfolio occupancy at 95.2%** – Overall occupancy (including committed space) was 95.2% compared to 94.5% at September 30, 2016 and 95.0% at December 31, 2015.
- **Tenant retention of 67%** – The Trust renewed and relocated 67% of expiring tenants during the fourth quarter.
- **In-place rents increased to \$7.19 per square foot** – The Trust's current average in-place rent was \$7.19 per square foot (September 30, 2016 – \$7.13).
- **Capital recycling** – The Trust completed \$70.7 million in dispositions for the year ended December 31, 2016. After repayment of debt, the dispositions are expected to have a minimal impact on the Trust's annual cash flows and provides 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	4.9	96.1	4.0	\$ 9.11
Ontario	4.9	96.5	3.5	6.08
Québec	3.8	96.3	4.7	6.15
Eastern Canada	2.6	89.8	3.5	7.23
Total	16.2	95.2	3.9	\$ 7.19

CAPITAL STRUCTURE

The Trust's capital structure remained stable during the quarter, with its level of debt (debt-to-total assets) at 52.6% and interest coverage of 3.1 times. \$121 million of the Trust's assets were unencumbered as at December 31, 2016, providing an additional source of financial flexibility.

Key performance indicators	December 31, 2016	September 30, 2016	December 31, 2015
Level of debt (debt-to-total assets) ⁽¹⁾	52.6%	52.7%	53.8%
Interest coverage ratio ⁽¹⁾	3.1 times	3.1 times	3.1 times
Weighted average face interest rate on all debt ⁽⁵⁾	3.81%	3.83%	3.91%
Weighted average effective interest rate on all debt ⁽⁵⁾	3.89%	3.88%	3.81%
Debt – weighted average term to maturity (years)	4.2	4.2	3.7

See footnotes on page 3.

During the quarter, the Trust completed \$23 million in mortgage refinancing with a weighted average term of ten years at a weighted average face interest rate of 3.31%. 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 Wednesday, February 22, 2017 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 6478 507#. 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 and operates a portfolio of 213 geographically diversified light industrial properties comprising approximately 16.2 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 months and year ended December 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) Excludes asset held for sale.

(5) 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 months and year ended December 31, 2016.

Forward looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation. 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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