

## DREAM INDUSTRIAL REIT REPORTS Q1 2017 FINANCIAL RESULTS AND STRONG LEASING MOMENTUM

*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 2, 2017, DREAM INDUSTRIAL REIT (DIR.UN-TSX)** today announced its financial results for the three months ended March 31, 2017.

### HIGHLIGHTS

- **Diluted Adjusted Funds from Operations (“AFFO”) per unit was stable at 20 cents** compared to the three months ended March 31, 2016 and was consistent with the three months ended December 31, 2016.
- **Strong leasing momentum** with 726,000 square feet of leasing taking occupancy in the quarter. Commitments for space representing over 77% of 2017 expiries and terminations have been achieved to date.
- **Portfolio occupancy including lease commitments increased to 96%** with Western Canada at 97.1%, Ontario at 97.0%, Québec at 97.2% and Eastern Canada at 90.2%.
- **High tenant retention ratio of 85.7%** for the quarter with Western Canada renewing and relocating 86.3% of its expiries.
- **Leverage declined 140 bps to 52.3%** when compared to March 31, 2016, with interest coverage of 3.2 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, 2017	December 31, 2016	Three Months Ended March 31, 2016
Investment properties revenue	\$ 42,867	\$ 42,715	\$ 44,037
Net operating income (“NOI”) <sup>(1)</sup>	28,401	28,776	29,655
Funds from operations (“FFO”) <sup>(1)</sup>	17,759	16,677	18,291
Adjusted funds from operations (“AFFO”) <sup>(1)</sup>	15,570	14,488	15,785
Investment properties	1,632,115	1,634,315	1,701,012
Debt	862,726	868,347	920,320
<b>Per unit data<sup>(1)(2)</sup></b>			
FFO – diluted <sup>(1)</sup>	0.222	0.212	0.231
AFFO – diluted <sup>(1)</sup>	0.197	0.186	0.202
Distributions	0.175	0.175	0.175
FFO payout ratio (%) <sup>(1)(3)</sup>	78.8%	82.5%	75.8%
AFFO payout ratio (%) <sup>(1)(3)</sup>	88.8%	94.1%	86.6%
<b>Units (period-end)</b>			
REIT Units	60,298,894	59,633,237	58,932,723
LP Class B Units	18,551,855	18,551,855	18,551,855
Total number of units	<b>78,850,749</b>	78,185,092	77,484,578
Portfolio gross leasable area (square feet)	16,182,438	16,182,117	16,980,919
Occupied and committed space	96.0% <sup>(4)</sup>	95.2% <sup>(4)</sup>	94.7%
Average occupancy for the period	93.9%	93.0%	93.7%

See footnotes on page 3.

*“Our portfolio continued to deliver stable financial results in the first quarter,” said Brent Chapman, President and Chief Executive Officer. “We are seeing positive momentum in all of our markets, and will continue to focus on leasing and operating our resilient portfolio. In addition, we are exploring the several areas where we have potential to grow our business and improve the overall quality of our portfolio, including developments, entry into new markets, capital recycling programs, and more adaptive uses of our buildings.”*

## FINANCIAL HIGHLIGHTS

- **Diluted FFO** – FFO for the quarter was 22 cents per unit compared to 21 cents in the prior quarter and 23 cents in the same quarter prior year. The increase compared to the previous quarter was primarily due to the restructuring charge incurred in the prior quarter. The decrease compared to the same quarter last year was largely driven by the impact of sold properties on NOI offset by savings on interest costs and general and administrative expenses.
- **Diluted AFFO** – AFFO for the quarter was 20 cents compared to 19 cents in the prior quarter and remained stable when compared to the same quarter prior year. The movement in AFFO from the comparative quarters are primarily 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 \$28.4 million** – Total NOI was 1.3% lower compared to prior quarter largely driven by the 2016 dispositions, and lower comparative property NOI.
- **Comparative property NOI of \$28.6 million** – Comparative property NOI was 0.7% lower compared to prior quarter largely driven by lower occupancy and operating cost recoveries in Western and Eastern Canada, offset by occupancy gains in Ontario and Quebec.
- **Stable capital structure** – Leverage declined to 52.3% with interest coverage of 3.2 times and a weighted average term to maturity of 4.0 years.

## OPERATIONAL HIGHLIGHTS

- **Leasing profile** – Leasing activity during the first quarter included 176,000 square feet of new leases, 550,000 square feet of renewals, and lease commitments of 327,000 square feet, compared to 704,000 square feet of expiries and early terminations. The average remaining lease term at March 31, 2017 is 4.0 years.
- **Portfolio occupancy at 96%** – Overall occupancy (including committed space) was 96% an increase from 95.2% at December 31, 2016 and 94.7% at March 31, 2016.
- **High tenant retention of 85.7%** – The Trust renewed and relocated 85.7% of expiring tenants during the first quarter.
- **Stable in-place rents** – In-place rents remained at \$7.19 per square foot.

	GLA (million sq. ft.)	Occupancy (%)	Average lease term (years)	Average in-place rent (per sq. ft.)
Western Canada	4.9	97.1	3.9	\$ 9.05
Ontario	4.9	97.0	3.9	6.14
Québec	3.8	97.2	4.6	6.14
Eastern Canada	2.6	90.2	3.6	7.18
Total	16.2	96.0	4.0	\$ 7.19

## CAPITAL STRUCTURE

The Trust's capital structure remained stable during the quarter, with its level of debt (debt-to-total assets) at 52.3% and interest coverage of 3.2 times. \$123 million of the Trust's assets were unencumbered as at March 31, 2017, providing an additional source of financial flexibility.

Key performance indicators	March 31, 2017	December 31, 2016	March 31, 2016
Level of debt (debt-to-total assets) <sup>(1)</sup>	52.3%	52.6%	53.7%
Interest coverage ratio <sup>(1)</sup>	3.2 times	3.1 times	3.1 times
Weighted average face interest rate on all debt <sup>(5)</sup>	3.81%	3.81%	3.87%
Weighted average effective interest rate on all debt <sup>(5)</sup>	3.89%	3.89%	3.83%
Debt – weighted average term to maturity (years)	4.0	4.2	4.0

See footnotes on page 3.

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 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](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, 2017 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 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, 2017.

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

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