

DREAM INDUSTRIAL REIT ANNOUNCES FIRST U.S. ASSET ACQUISITION AND UPDATES STRATEGY TO INCREASE UNITHOLDER VALUE WITH ACQUISITIONS AND DEVELOPMENTS OF UNIQUE PROPERTIES

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, July 24, 2017, DREAM INDUSTRIAL REIT (DIR.UN-TSX or “we” or “the Trust”) today announced its expansion into the United States (or “U.S.”) market with the acquisition of a 717,000 sf modern distribution facility in Nashville, TN for, approximately CAD\$60 million. The Trust also announced progress with its asset manager, Dream Unlimited Corp. (DRM – TSX or “Dream”) to actively leverage Dream’s land bank, newly established industrial development group, existing partnerships and relationships to explore development opportunities and acquisitions that can generate above average returns and net asset value growth for the Trust both in Canada and the U.S.

Acquisition of Modern Distribution Facility in Nashville, Tennessee

Dream Industrial has entered into a purchase and sale agreement with Dream Office REIT (D.UN – TSX) to acquire a 717,000 sf single-tenant distribution centre located in Nashville, Tennessee, marking the Trust’s first acquisition in the U.S. The asset was owned and managed by Dream Office REIT since 2012 and was identified as “non-core” as part of their strategic plan. Dream Industrial believes that this presents a unique opportunity to acquire a high quality asset with a strong covenant and long term lease in a non-competitive process at an attractive price.

As per the press release dated April 18, 2017, in addition to continuing to source opportunistic investments in Canada, the Trust is exploring opportunities to expand into new markets. We believe that the size and liquidity of the U.S. market will provide the Trust with more diverse opportunities to acquire high quality assets that provide for attractive returns. The U.S. currently has solid market fundamentals and robust economic growth, which is supportive of a healthy industrial property sector. The Nissan North American operations are headquartered in Nashville, Tennessee and the Trust will look for future opportunities to increase its exposure to both Nissan as a tenant and the Nashville market.

The Trust intends to leverage Dream’s relationships and network in the U.S. to target high-quality properties that are newer generation, offer high operating functionality and can increase exposure to tenants with strong covenants. Target properties will be strategically located in close proximity to major markets and transportation nodes, be occupied by quality tenants with longer-term leases that provide built-in growth unless there is a market opportunity to increase in-place rents, or provide value-add opportunities from a re-leasing and/or development perspective.

The acquisition of the Nissan Distribution Facility represents a disciplined first-step in executing the Trust’s strategy in entering the U.S. market, as this property is well-known to the Trust’s asset manager who has developed local market knowledge and the tenant relationship. The transaction was reviewed and approved by the independent trustees of Dream Office REIT and Dream Industrial REIT, and is supported by independent third-party appraisals.

The property will be acquired for approximately CAD\$60 million, representing a going-in capitalization rate of 6.3% and average capitalization rate of 6.5% over the term of the lease. The purchase price will be funded by assumed mortgage debt of approximately CAD\$29 million and the balance from working capital and the Trust’s revolving credit facility. The acquisition is expected to close during the second half of 2017 and is subject to customary closing conditions and lender consents.

Property highlights include:

- **Recent construction with 14 acres of excess land for potential future expansion or development** – asset is of excellent quality with clear ceiling height of 32 feet and parking capacity of 258 spaces plus an additional 422 trailer parking spaces. Property also includes over 14 acres of land for storage or future site expansion of up to an additional 485,000 square feet.

- **Long-term lease with high-quality tenant** – 100% leased to Nissan North America Inc., with a remaining lease term of nine years and contractual rent steps. The Trust’s weighted average lease term, pro-forma Q1/17 after the close of this acquisition, would be 4.2 years and Nissan becomes the Trust’s largest tenant by GLA at 4.2%.
- **Well located asset in solid U.S. industrial market** – located in Mount Juliet, a suburb of Nashville, Tennessee, this property has excellent access to the highway systems in Nashville. The building has frontage to Interstate 840, is within 10 miles of Interstate 40, and is within 15 miles of Interstate 24. Nashville is a secondary market in the U.S. with a market vacancy rate of 7.2% at Q2 2017 and total market size of 177 million square feet. Nashville’s unemployment rate of 2.3% at May 2017 was one of the lowest for a major metropolitan area in the U.S. and with less than 3% new supply under construction, it has experienced positive absorption for the last five years. The Trust’s geographic distribution (by GLA) in the U.S., pro-forma Q1/17 including the acquisition, would be 4.2%.



Nissan Distribution Facility in Nashville, TN

Leveraging Dream’s Platform & New Industrial Development Division to Access Preferential Industrial Acquisition and Development Pipeline

Dream is one of Canada’s largest and most active real estate development companies, with a significant portfolio of active and pipeline projects, land inventory and a long history of successful real estate developments. To date, Dream’s platform has generated many innovative development partnerships including the revitalization of Toronto’s Distillery District, the King Edward private residences, the Pan-American Games Athletes’ Village, planned transformation of Ottawa/Gatineau’s Chaudière Islands into a vibrant and sustainable Zibi community and a 20-year partnership with the Canadian Pacific Railway Limited (CP – TSX, CP – NYSE) to develop its significant surplus real estate in Canada and the U.S.

Globally, Dream has decades of business relationships with various institutional partners and leading real estate development firms. Dream intends to actively involve the Trust in relationships where it is beneficial to the Trust, and can meaningfully increase the Trust’s growth and value through the establishment of a strong and sustainable development and acquisition pipeline in Canada and the U.S. The Trust believes that industrial property fundamentals in the North American market will continue to outperform and are supported by increasing demand for industrial space and strong investment appetite from both public and private real estate investors. Dream is currently in discussions to explore partnership and development opportunities on behalf of the Trust in major industrial markets, including Chicago, Vancouver, Las Vegas, Atlanta and Dallas. Dream and its partners may explore opportunities in other markets in the U.S. as well.

Dream's land development business consists of well-established operations in Saskatoon, Regina, Calgary and Edmonton and its land bank of approximately 10,000 acres is very well located within each market. Recently, Dream established a new industrial development division that includes an in-house team of engineers, architects, and project managers overseeing construction and development of flex and light industrial projects. We believe that there are many unique industrial development opportunities within Dream's existing land inventory and real estate assets, and Dream and the Trust intend to work together to bring these opportunities to fruition and surface value.

Dream estimates that there are 180 acres or approximately three million square feet of industrial development identified on its lands, of which over 200,000 square feet are active in various stages of development. Dream believes that these industrial projects are strategically located in close proximity to major services, amenities and transportation nodes, and will form an important part of its master planned communities in Western Canada. The industrial developments will complement nearby residential office, and retail spaces which Dream also intends to develop.

"We believe Dream Industrial is well positioned to leverage our existing industrial land bank in Dream and our network of relationships to explore a series of strategies that will make the Trust more valuable for its unitholders," said Michael Cooper, President and Chief Responsible Officer of Dream Unlimited Corp. *"While we continue to improve all aspects of the business, we are optimistic that we will be able to identify attractive new opportunities for the REIT that will improve its value in the near term."*

The Trust intends to maintain an active asset recycling program to repatriate equity from non-core assets that have already maximized their value or are capital intensive to maintain. We intend to reinvest the capital into newer assets of similar profile to the Trust's core portfolio, but that are easier to lease and have higher potential to grow cash flows and value over the long term. On a relative basis, we expect target acquisitions or developments will have more attractive AFFO yields on equity or will produce comparable AFFO yields but are of higher quality and are more desirable for both tenants and investors.

"Dream Industrial REIT and Dream will review Dream's existing assets and partnerships that may represent unique opportunities for the Trust to acquire proprietary and off-market investment opportunities that would not be available to our competitors," said Brent Chapman, CEO of Dream Industrial REIT. *"The Trust will benefit from preferential access to a pipeline of brand new medium and large bay industrial properties at market value, bypassing competitive bidding processes and meaningfully save on transaction costs."*

The Trust will provide further updates on its strategy in the third quarter of 2017 and senior management will be available to discuss financial results and strategy on its Q2 2017 conference call on Wednesday, August 9, 2017 at 2:00 p.m. (ET).

About Dream Industrial REIT

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. Dream Industrial REIT owns and operates a portfolio of, as at March 31, 2017, 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.

Forward-looking information

This press release contains forward-looking information within the meaning of applicable securities legislation. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", or "continue", or similar expressions suggesting future outcomes or events. Some of the specific forward-looking information may include, among other things, the Trust's expectations regarding the acquisition of the Nashville property, including the average and going in capitalization rates and the extent to which the Nashville acquisition and other target acquisitions are expected to be accretive to AFFO yield; the manner in which the Nashville acquisition will be financed; the anticipated timing of completion of the Nashville acquisition; statements relating to our objectives and strategies, including our proposed expansion into new markets; statements regarding the U.S. market and the Nashville market in particular, including the availability and quality of potential acquisition assets; the attributes of potential acquisition properties, including AFFO yields and asset quality; the Trust's expectation regarding the performance of the North American industrial market and demand therein; our plans to leverage Dream's development platform, including the effect on the Trust's growth and value; our ability to identify new development opportunities; the effect development opportunities will have on the value of the Trust; statements regarding potential development opportunities with Dream, including the

potential for industrial development in Dream's land inventory as well as the number, size and location of any such developments, their effect on the value of the Trust and the costs of pursuing such developments; statements regarding our asset recycling program and our use of proceeds derived therefrom. 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 and with respect to the transaction referred to in this news release, the failure to satisfy or waive any conditions to the closing of the transaction or to realize the expected benefits from the transaction, as well as the risk that the properties may not perform as anticipated. 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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