

DREAM INDUSTRIAL REIT REPORTS Q2 2018 FINANCIAL RESULTS AND SIGNIFICANT ACQUISITION PIPELINE

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 7, 2018, DREAM INDUSTRIAL REIT (DIR.UN-TSX) or (“Dream Industrial REIT”, the “Trust” or “we”) today announced its financial results for the three and six months ended June 30, 2018.

“We have made meaningful progress in the first half of 2018 in sourcing attractive investment opportunities in Canada and the U.S., improving core operations, simplifying our capital structure and reducing the risk within our business,” said Brian Pauls, Chief Executive Officer of Dream Industrial REIT. “Our net asset value per unit has increased 7.5% since the beginning of the year and we are well positioned to continue growing and improving the value of Dream Industrial.”

SELECTED FINANCIAL INFORMATION				
(unaudited)				
	Three Months Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
(\$000's except unit and per unit amounts)				
Net income (loss)	16,242	(7,108)	61,113	6,102
Net operating income (“NOI”) ⁽¹⁾	32,570	28,936	65,073	57,337
Comparative properties NOI ⁽¹⁾	29,575	29,093	58,954	57,667
Funds from operations (“FFO”) ⁽¹⁾	20,125	18,502	41,357	36,261
Per unit data				
FFO – diluted ⁽¹⁾⁽²⁾	\$ 0.211	\$ 0.230	\$ 0.434	0.451
Distributions	0.175	0.175	0.350	0.350
FFO payout ratio (%) ⁽¹⁾⁽³⁾	82.9%	76.1%	80.6%	77.6%

See footnotes on page 4.

SELECTED BALANCE SHEET INFORMATION		
(unaudited)		
(\$000's except unit and per unit amounts)	June 30, 2018	December 31, 2017
Liquidity ⁽⁴⁾	320,173	177,651
Level of debt (net debt-to-assets) ⁽¹⁾	41.4%	47.9%
Net asset value (“NAV”) per unit ⁽¹⁾	\$ 10.05	\$ 9.35
Units (period-end)		
REIT Units	90,541,066	75,104,843
LP Class B Units	18,551,855	18,551,855
Total number of units	109,092,921	93,656,698
Investment properties	1,933,998	1,722,988
Portfolio gross leasable area (square feet) ⁽⁵⁾	19,144,041	17,188,043
Occupied and committed space ⁽⁵⁾	96.6%	96.6%
Average occupancy for the period ⁽⁵⁾	95.4%	95.8%

See footnotes on page 4.

QUARTERLY FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Net income** – Net income for the three months ended June 30, 2018 was \$16.2 million compared to \$7.1 million loss in the prior year comparative quarter. For the six months ended June 30, 2018, net income was \$61.1 million compared to \$6.1 million in the prior year comparative period. Net income increased largely due to positive fair value adjustments to investment properties due to higher investment property valuations.
- **Diluted FFO⁽¹⁾ per unit for the quarter** ended June 30, 2018 was 21.1 cents compared to 23.0 cents for the quarter ended June 30, 2017. Increase from overall NOI growth was offset by lower leverage during the quarter, higher general and administrative expense, and the timing of reinvesting the proceeds from mortgage financing activities.
- **Total second quarter NOI⁽¹⁾ increased 12.6% over the second quarter of 2017** – Total NOI for the quarter ended June 30, 2018 was \$32.6 million or \$3.6 million higher compared to Q2 2017. The increase in NOI compared to the same quarter last year was mainly due to higher comparative properties NOI and acquisitions completed in the first quarter of 2018 and fourth quarter of 2017.
- **Comparative properties NOI⁽¹⁾ for the quarter increased by 1.7% over the second quarter of 2017.** Comparative properties NOI for the quarter ended June 30, 2018 was \$29.6 million or \$0.5 million higher when compared to Q2 2017. The increase is due to higher average occupancy in Eastern Canada and higher rental rates in Ontario, offset by lower average occupancies in Western Canada and Québec.
- **Leasing profile** – Strong leasing momentum has continued for a seventh straight quarter with occupancy over 95%. Leasing activity during Q2 2018 included 184,000 square feet of new leases, 478,000 square feet of renewals, and lease commitments of 275,000 square feet, compared to 813,000 square feet of expiries and early terminations for the same quarter. The average remaining lease term at June 30, 2018 is 4.1 years.
- **Portfolio occupancy and retention ratio** – Overall occupancy (including commitments) remained strong at 96.6%, compared to 97.1% at March 31, 2018. The retention ratio for the quarter was 75.4%, and 80.5% for the six months.
- **Positive rental spreads in nearly all regions** – The Trust completed 478,000 square feet of renewals that commenced during the quarter, at an average renewal spread of negative 2.8%. In the Trust's markets of Ontario, Quebec, and Eastern Canada, renewal spreads were 4.0%, 3.4%, and 3.8%, respectively. During the quarter, 201,926 square feet of lease renewals commenced in the West at an average renewal spread of negative 8.1%, with lower leasing costs incurred. The Trust remains focused on maximizing occupancy while prudently investing capital in the region. For leases transacted in 2018, rental spreads in Ontario remained strong at 10.9% over expiring or prior in-place rates.
- **Investment properties** – The Trust's investment property portfolio at June 30, 2018 consists of 219 properties with a value of \$1.9 billion compared to \$1.7 billion at December 31, 2017. U.S. acquisitions totalling \$115 million were completed in Q1 2018, and the Trust's Ontario and Quebec properties increased in value by \$81 million when compared to December 31, 2017 reflecting higher underlying cash flows, market rents and lower capitalization and discount rates.
- **Net asset value ("NAV") per unit⁽¹⁾** – The Trust's net asset value per unit increased by \$0.70 or 7.5% to \$10.05 this quarter from \$9.35 as of December 31, 2017, largely from higher investment properties values in Ontario and Quebec.

INVESTMENT HIGHLIGHTS

- Adding scale in the tight GTA market.** Subsequent to the quarter-end, the Trust closed on an acquisition in Etobicoke, Ontario (the “GTA Property”) for a purchase price of \$34.3 million, excluding transaction costs. The GTA property is a 205,000 square foot Class A industrial property with a 38’ clear height. It is located at 161 West Mall, Etobicoke, a 5 minute drive from Highway 427, the second busiest freeway in Canada, and only a 30 minute drive from downtown Toronto. The asset is 100% leased with a weighted average remaining lease term of 7.5 years. The building sits on 10.4 acres of land, which includes 2.4 acres of excess land, and a right of first offer on the adjoining land of approximately 2 acres.
- Significant acquisition pipeline.** The Trust is in advanced negotiations to acquire two high quality industrial buildings in the U.S. (Midwest) and one in the Greater Montreal Area, totaling approximately 842,000 s.f.

161 The West Mall, Etobicoke, ON		
Gross leasable area (s.f.)	205,000	
Site Area (acres)	10.4	
WALT (years)	7.5	
Occupancy	100%	
Clear Height (feet)	38'	
Number of tenants	2	

CAPITAL STRUCTURE

- Redemption of 5.25% convertible debentures** – On August 2, 2018 the Trust redeemed its \$111.25 million aggregate principal amount of 5.25% convertible debentures. The redemption price was at par plus unpaid accrued interest.
- Stable and conservative capital structure** – Level of debt (net debt-to-assets)⁽¹⁾ decreased to 41.4% following the close of the equity offering on June 29, 2018. The Trust had \$94 million of unencumbered assets providing additional financial flexibility and liquidity.
- Equity offering** – On June 29, 2018 the Trust successfully completed a public offering for total gross proceeds of \$144 million and issued 13,915,000 units. The Trust used part of the net proceeds to fund the redemption of its outstanding 5.25% convertible debentures and the closing of the GTA Property with the remainder to be utilized towards funding the above acquisitions.

Key performance indicators	June 30, 2018	December 31, 2017
Level of debt (net debt-to- assets) ⁽¹⁾	41.4%	47.9%
Interest coverage ratio ⁽¹⁾	3.3 times	3.3 times
Weighted average face interest rate on all debt ⁽⁶⁾	3.80%	3.75%
Debt – weighted average term to maturity (years)	4.1	3.8
Unencumbered assets ⁽¹⁾⁽⁷⁾	\$94,152	\$113,191
Undrawn lines of credit	123,000	123,000

See footnotes on page 4.

“We have made significant progress on reducing our level of debt and we continue to strengthen our balance sheet with the redemption of the convertible debentures in early August,” said Lenis Quan, Chief Financial Officer of Dream Industrial REIT. “We are well positioned to focus on strategies to improve the value of our business, including growing organically and identifying asset recycling opportunities that can improve overall portfolio quality and generate higher cash flow and NAV growth.”

CONFERENCE CALL

Senior management will host a conference call to discuss the results on Wednesday, August 8, 2018 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 6802 324#. 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 220 geographically diversified light industrial properties comprising approximately 19 million square feet of gross leasable area in key markets across Canada with a growing presence in the United States. 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) NOI, comparative properties NOI, FFO, FFO payout ratio, level of debt (net debt-to-assets), NAV per unit, interest coverage ratio, unencumbered assets 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, 2018 under the heading “Non-GAAP Measures and Other Disclosures”.

(3) Payout ratio for FFO (non-GAAP measure) is calculated as the ratio of distribution rate to diluted FFO per unit.

(4) Liquidity is calculated as the sum of cash on hand and undrawn lines of credit as of June 30, 2018.

(5) Excludes property or properties held for sale at each period.

(6) 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.

(7) Includes property or properties held for sale.

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"), FFO payout ratio, level of debt (net debt-to-assets), net asset value ("NAV") per unit, interest coverage ratio and unencumbered assets 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, 2018.

Forward looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements regarding our objectives and strategies and plans to expand our presence in our existing markets. 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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