DREAM INDUSTRIAL REIT REPORTS SOLID 2018 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 19, 2019, DREAM INDUSTRIAL REIT (DIR.UN-TSX) or ("Dream Industrial REIT", the "Trust" or "we") today announced its financial results for the three months and year ended December 31, 2018.

"2018 was an eventful year for the Trust as we executed on strategic initiatives to strengthen our balance sheet, continue expansion in our target markets and further diversify and enhance our tenant base," said Brian Pauls, Chief Executive Officer of Dream Industrial REIT. "We have made good progress on advancing our core leasing operations and have laid the foundation to drive stronger internal growth. In 2019, we expect to accelerate our capital recycling program and will continue to capitalize on unique and attractive investment opportunities in our target markets in Canada and the U.S."

FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)	Three Months Ended		Year Ended	
(in thousands of dollars except per unit amounts)	**December 31, 2018**	December 31, 2017	**December 31, 2018**	December 31, 2017
Operating results				
Net income	**$ 66,455**	$ 19,466	**$ 157,528**	$ 34,659
Funds from operations ("FFO")[1]	**24,060**	19,655	**88,166**	74,623
Net rental income	**35,006**	30,404	**133,744**	116,778
Comparative properties net operating income (NOI)[1]	**29,782**	29,554	**118,263**	116,563
Per Unit amounts				
Distribution rate	**$ 0.17**	$ 0.17	**$ 0.70**	$ 0.70
FFO – diluted[1][2]	**0.22**	0.23	**0.86**	0.91
FFO payout ratio – diluted[1][3]	**80.6%**	77.8%	**81.7%**	77.3%

See footnotes on page 5.

SELECTED BALANCE SHEET INFORMATION (unaudited)	As at	
(in thousands of dollars except per unit amounts)	**December 31, 2018**	December 31, 2017
Liquidity[1][4]	**$ 103,162**	$ 177,651
Level of debt (net debt-to-assets ratio)[1][5]	**43.5%**	47.9%
Net asset value ("NAV") per Unit[1]	**$ 10.54**	$ 9.35
Total portfolio[6]		
Investment properties	**$ 2,138,411**	$ 1,722,988
Gross leasable area (in millions of square feet)	**20.2**	17.2
Occupancy rate – in-place and committed	**97.1%**	96.6%
Average occupancy for the year	**95.5%**	95.8%

See footnotes on page 5.

QUARTERLY FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Net income for the quarter** – For the quarter ended December 31, 2018, net income was $66.5 million, consisting of net rental income of $35.0 million, fair value adjustments to investment properties of $38.8 million and fair value adjustments to financial instruments of $8.9 million, partially offset by interest expense on debt and subsidiary redeemable units of $12.1 million, general and administrative expenses of $2.6 million and cumulative other items of $1.5 million.
- **Diluted FFO(1) per Unit for the quarter** – Diluted FFO per Unit for the quarter ended December 31, 2018 was 22 cents compared to 23 cents for the quarter ended December 31, 2017. The decline on a per Unit basis was mainly attributable to lower leverage throughout 2018 which was partially offset by higher net rental income from our comparative and acquired properties.
- **Net rental income for the quarter increased 15.1% over Q4 2017** – Net rental income for the quarter ended December 31, 2018 was $35.0 million or $4.6 million higher compared to the quarter ended December 31, 2017. The increase was mainly due to higher net rental income from comparative and acquired properties completed in 2018 and in Q4 2017.
- **Comparative properties NOI(1) for the quarter increased 0.8% over Q4 2017** – Comparative properties NOI for the quarter ended December 31, 2018 was $29.8 million or $0.2 million higher compared to the quarter ended December 31, 2017. The increase was primarily due to higher average occupancy and higher rental rates in Québec, higher capital recoveries in Eastern Canada, partially offset by lower average occupancy in Western Canada.
- **Leasing profile** – Strong leasing momentum has continued for a ninth consecutive quarter with occupancy over 95%. For the quarter ended December 31, 2018, approximately 836,000 square feet of leases commenced, of which 568,000 square feet were renewals and relocations. The overall retention ratio for the quarter was 74.7%. As at December 31, 2018, the Trust secured future lease commitments of approximately 279,000 square feet taking occupancy during the first half of 2019. Overall committed occupancy remained strong at 97.1% with an average remaining lease term of 4.1 years at December 31, 2018.
- **Strong renewal spreads in Ontario** – In Ontario, the average renewal spread on occupied space in the quarter was 9.3%. Subsequent to December 31, 2018, the Trust signed over 200,000 square feet of leases taking occupancy in 2019 at an average spread of approximately 16% above expiring or prior in-place rates, along with 3.1% annual rent increases over the term of the leases. Notably, the Trust signed a 101,000 square foot lease deal in the Greater Toronto Area at a 14.6% spread to the expiring rate, along with 3.2% annual contractual rent increases built into the lease.

ANNUAL FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Net income for the year** – For the year ended December 31, 2018, net income was $157.5 million, consisting of net rental income of $133.7 million and fair value adjustments to investment properties of $107.9 million, partially offset by interest expense on debt and subsidiary redeemable units of $50.4 million, fair value adjustments to financial instruments of $17.1 million, general and administrative expenses of $10.8 million, net losses on transactions and other activities of $5.1 million and cumulative other items of $0.7 million.
- **Diluted FFO(1) per Unit for the year** – Diluted FFO per Unit for the year ended December 31, 2018 was 86 cents compared to 91 cents for the year ended December 31, 2017. The decline on a per Unit basis was mainly attributable to lower leverage throughout 2018 and the timing difference between the equity raise in June 2018 and subsequent capital deployment, which was partially offset by higher net rental income from our comparative and acquired properties.

- **Comparative properties NOI[1] for the year increased 1.5% over 2017** – Comparative properties NOI for the year ended December 31, 2018 was $118.3 million or $1.7 million higher when compared to the prior year ended December 31, 2017. The increase is due to higher average occupancy in Eastern Canada, higher average occupancy and rental rates in Ontario, partially offset by lower average occupancy and rental rates in Western Canada. Occupancy has increased by 230 basis points in Western Canada since Q2 2018, which along with higher rental rates in Ontario and Québec should result in stronger internal growth going forward.
- **Strong leasing momentum** – The Trust completed approximately 2.6 million square feet of renewals and relocations that commenced during the year. Renewal and relocations spreads in Ontario, Québec, Eastern Canada, and Western Canada were 3.6%, 5.5%, -2.0%, and -4.6%, respectively.
- **Investment properties** – The Trust's investment property portfolio, excluding a property held for sale at December 31, 2018 consisted of 223 properties valued at $2.1 billion, compared to $1.7 billion at December 31, 2017. Acquisitions totalling $248.2 million were completed in 2018. The fair value of the Trust's Ontario and Quebec properties increased by $141.3 million compared to December 31, 2017 reflecting higher underlying cash flows, market rents and lower capitalization and discount rates.
- **NAV per Unit[1]** – The Trust's NAV per Unit increased by $1.19 or 12.7% to $10.54 this quarter from $9.35 as at December 31, 2017, largely reflecting an increase in investment property values in Ontario and Québec as described above.

INVESTMENT HIGHLIGHTS

- **Strong portfolio growth in 2018** – During the year, the Trust completed $241 million (before transaction costs) in acquisitions, adding 2.9 million square feet of high quality industrial properties in Canada and the United States ("U.S."). During the quarter, the Trust acquired a 121,000 square feet Class A distribution facility located in the Greater Montreal Area. The purchase price of $13.6 million (before transaction costs) represented a going in capitalization rate of approximately 6%.
- **Continued U.S. expansion** – On February 4, 2019, the Trust announced the waiver of all conditions on a U.S. logistics portfolio ("Acquisition Portfolio") in the Midwest U.S., totaling approximately 3.5 million square feet of gross leasable area. The total purchase price (before transaction costs) of US$179.1 million, represented a going in capitalization rate of 6.0%, and following the lease-up of a recent vacancy would increase to 6.5%. The portfolio comprises 21 buildings located in five cities (Chicago, Cincinnati, Columbus, Indianapolis, and Louisville) and, subject to customary closing conditions, is scheduled to close later this quarter.
- **Strong acquisition pipeline** – The Trust continues to pursue acquisitions in target Canada and U.S. markets with approximately $200 million of targeted assets in the pipeline.

CAPITAL STRUCTURE

- **Stable and conservative capital structure** – Level of debt (net debt-to-assets ratio)[1][5] was 43.5% and net debt-to-adjusted EBITDAFV[1][5] was 7.2 years as at December 31, 2018. The Trust had $194.6 million of unencumbered assets providing additional financial flexibility and liquidity.

Key performance indicators	**December 31, 2018**	December 31, 2017
Level of debt (net debt-to-assets ratio)[1][5]	**43.5%**	47.9%
Net debt-to-adjusted EBITDAFV (years)[1][5]	**7.2**	7.3
Interest coverage ratio (times)[1] – year-to-date	**3.5**	3.3
Weighted average face interest rate[7]	**3.65%**	3.75%
Weighted average term to maturity (years)	**4.4**	3.8
Unencumbered assets[8]	**$ 194,594**	$ 113,191
Undrawn revolving credit facility	**98,194**	123,000

See footnotes on page 5.

- **Acquisition funding** – On February 13, 2019, the Trust completed a public offering of 13.8 million REIT Units at a price of $10.45 per unit for gross proceeds of $144.2 million, including 1.8 million REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters. The net proceeds will be used to partially fund the Acquisition Portfolio.
- **Enhanced liquidity** – The Trust has received lender approval to amend its existing revolving credit facility, increasing its borrowing capacity from $125 million to $150 million and increasing the number of properties secured under the facility from 30 to 33 properties. The amendment is subject to customary closing conditions.

STRATEGIC UPDATE

Since December 2017, and including the recently announced Midwest U.S. portfolio, we have grown our asset base through $500 million of acquisitions and achieved our initial target of 20% of highly functional industrial assets in the U.S. We have accomplished this while reducing leverage by 440 basis points. Looking forward, the Trust remains focused on driving both organic and external growth, while maintaining balance sheet flexibility and improving the overall portfolio quality. We have identified several strategies to help us achieve these goals that are centred on further improving internal leasing and operations, increasing our focus on capital recycling and continuing to add scale through acquisitions in our target markets.

"We are focused on driving solid internal growth through capturing strong rental spreads in Ontario and Québec while prudently investing capital and maximizing cash flow in the West," said Lenis Quan, Chief Financial Officer of Dream Industrial REIT. "With a strong balance sheet and improvements made to our core leasing operations, we are well positioned to execute on strategies to improve our overall portfolio quality as well as generate higher long term free cash flow and net asset value growth."

CONFERENCE CALL

Senior management will host a conference call to discuss the results on Wednesday, February 20, 2019 at 11:00 a.m. (ET). To access the conference call, please dial 1-888-465-5079 in Canada and the U.S. or 416-216-4169 elsewhere and use passcode 9315 436#. 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 223 geographically diversified light industrial properties comprising approximately 20.2 million square feet of gross leasable area in key markets across Canada and the U.S. 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) FFO, comparative properties NOI, diluted FFO per Unit, FFO payout ratio, liquidity, level of debt (net debt-to-assets ratio), NAV per Unit, net debt-to-adjusted EBITDAFV and interest coverage ratio are non-GAAP measures used by Management in evaluating operating and financial performance. 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 year ended December 31, 2018 under the heading “Non-GAAP Measures and Other Disclosures”.
(3) FFO payout ratio (non-GAAP measure) is calculated as the ratio of distribution rate per unit to diluted FFO per unit.
(4) Liquidity is calculated as the sum of cash and cash equivalents on hand and undrawn revolving credit facility at the end of each period.
(5) Level of debt (net debt-to-assets ratio) and net debt-to-adjusted EBITDAFV have been restated in the comparative periods to conform to current period presentation.
(6) Excludes property or properties held for sale at the end of each period.
(7) Weighted average face interest rate is calculated as the weighted average face interest rate of all interest-bearing debt.
(8) Includes property or properties held for sale at the end of each period.

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 FFO, comparative properties NOI, diluted FFO per Unit, FFO payout ratio, liquidity, level of debt (net debt-to-assets ratio), NAV per Unit, net debt-to-adjusted EBITDAFV 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 and financial performance. Non-GAAP measures should not be considered as alternatives net income, net rental income, cash flows generated from (utilized in) operating activities, cash and cash equivalents, total assets, non-current debt, total equity, 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 and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the “Non-GAAP Measures and Other Disclosures” in Dream Industrial REIT’s MD&A for the year ended December 31, 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, the anticipated timing for closing the Acquisition Portfolio, the expected going in capitalization rate of the Acquisition Portfolio and potential acquisition opportunities. 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 interest and currency rate fluctuations; and with respect to the Acquisition Portfolio and amendment of the Trust’s revolving credit facility, the failure to satisfy or waive customary conditions on closing as well as the risk that the acquired 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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