DREAM INDUSTRIAL REIT ANNOUNCES EUROPEAN EXPANSION IN GERMANY AND THE NETHERLANDS, STRATEGY TO REDUCE COST OF DEBT AND ADDITIONS TO ITS MANAGEMENT TEAM

TORONTO, January 22, 2020, DREAM INDUSTRIAL REIT (DIR.UN-TSX) ("Dream Industrial REIT" or the "Trust") is pleased to announce its expansion into the European light industrial and logistics market. This will allow the Trust to pair high quality, well located industrial properties that can generate higher yields and above average returns with an attractive cost of debt with rates that are over 200 bps lower on a comparative basis than North American financing to generate higher returns for its unitholders.

The fundamentals of the industrial and logistics markets across Europe continue to remain attractive driven by the continued development and growth in e-commerce fueling demand from logistics operators coupled with low supply of high-quality and suitable product. We believe the healthy rental growth potential paired with limited new supply under construction provides tailwind for strong performance in this sector over the next five to ten years.

Dream Unlimited Corp. ("Dream") has been active in Europe since 1998 and is now dedicating its European platform and relationships to support the Trust's European expansion. Subsequent to the sale of Dream Global REIT to the Blackstone Group Inc., Dream is committing its global asset management team who were responsible for Dream Global REIT's success, and its deep local relationships with tenants, lenders, brokers and partners to Dream Industrial REIT.

Dream's existing local European acquisition and asset management team along with long-standing relationships with the European real estate brokerage network will support the Trust in sourcing high-quality and accretive transactions with long-term cash flow and net asset value growth potential. The Trust is currently under contract or in exclusive negotiations to acquire €176 million ($257 million) of assets in strong industrial markets in the Netherlands ("Dutch Portfolio") and €48 million ($70 million) of assets in Germany ("German Portfolio") through seven separate transactions.

The weighted average going-in capitalization rate of the German and Dutch portfolios is approximately 6.1% with a weighted average lease term of 5.3 years and in-place rents below estimated market rents. The Trust intends to fund the acquisitions, which are immediately accretive to its funds from operations, with cash-on-hand.

Subsequently, the Trust intends to hedge its entire Euro capital exposure by borrowing 100% of the Euro value of its portfolio to mitigate currency risk. The debt will be a combination of unsecured and secured financings on properties in Europe and North America, denominated in Euros. As a result, the total value of the portfolio will be hedged, and we will access debt at 1.30% to 1.50% over a five-year term from our debt and hedging strategy. Effectively, we will continue to maintain a low leverage ratio with a higher proportion of the debt hedged in Euros. We expect the hedging and debt strategy on this transaction to generate approximately $0.02 to $0.03 per unit of accretion to our results on an annualized basis without increasing leverage.

Concurrently, we are focused on improving our overall cost of debt and improving the risk profile of our business by pursuing a more conservative leverage structure, and optimizing our sources of debt capital by borrowing the amount of Euro-denominated debt to approximate the gross asset value of the European properties, while concurrently reducing our debt in North America to maintain an overall leverage ratio well below 40%. We will be able to achieve a much lower interest rate while mitigating currency risk on our investments. We intend to continue to increase our unencumbered asset pool, pursue an investment grade credit rating and obtain unsecured financings in 2020. Dream's existing European platform, people and its relationships with global lenders will help the Trust successfully achieve this debt strategy.

We believe the strategies announced today will immediately position Dream Industrial REIT to achieve meaningful accretion on FFO, reduce risk, improve average portfolio quality, deliver above average long-term value for unitholders and transform quickly into a premier global industrial real estate company with significant scale in Canada, the United States and Europe.

For more information on the Trust's European expansion and portfolio strategy, please visit our website at www.dreamindustrialreit.ca

Background

On December 10, 2019, Dream announced the closing of the sale of Dream Global REIT to affiliates of real estate funds managed by the Blackstone Group Inc., a global leader in real estate investing, in an all cash transaction valued at $6.2 billion. The transaction was the culmination of the successful creation, growth and sale of a high-quality office and industrial portfolio since its IPO. Since its inception in 2011, Dream Global REIT delivered total annualized returns of 15% to unitholders, which exceeded both the Canadian and European benchmarks by approximately 60% and is comparable to the top performing real estate private equity funds and pension funds globally, over the same period. Upon closing of the transaction with Blackstone on December 10, 2019, the non-compete clause for acquisition of commercial properties in Europe is no longer applicable and Dream will be able to dedicate its resources in supporting Dream Industrial REIT's European expansion program.

With a population of over 500 million and increasing e-commerce penetration, the European market significantly increases the Trust's investable universe. The Trust intends to continue expanding its portfolio in Germany and the Netherlands, Europe's most sought after and liquid logistics markets. In addition, the Trust intends to evaluate investment opportunities in other core logistics markets in Western Europe, offering compelling returns and ability to build scale.

We believe that modern logistics assets and urban light industrial properties are considered highly desirable by institutional investors as they offer superior risk-adjusted returns compared to other asset classes. However, substantial scale is difficult to access and acquire without an established and reputable platform. This scarcity and depth of the market will also likely create meaningful portfolio premiums for assembly of large high-quality industrial portfolios.
Over the medium term, the Trust intends to increase its exposure to Europe to approximately 25% of its total portfolio value from 12% following the acquisition of the German and Dutch Portfolios announced today.

The Trust remains committed to growing and improving the value of its portfolio across target markets in Canada and the United States, with experienced acquisition, leasing and portfolio management teams dedicated to each region. In addition to the acquisitions in Europe, the Trust currently has nearly $170 million of properties that have recently closed, are under contract or in exclusive negotiations in Canada, consisting of seven separate transactions, primarily in the Greater Toronto Area. These assets are well located and are expected to deliver above average NOI and NAV growth over the next five to ten years. We are confident in our Canadian acquisition team's ability to source smaller, but relatively more accretive transactions, on an opportunistic and off-market basis to build a meaningful Canadian acquisition pipeline in 2020, predominantly in the GTA and Quebec.

In addition, the Trust will continue to leverage its local platform and strategic relationship with PAULS Corp to obtain unique access to acquisition and development pipelines in its target markets in the United States with a focus on sourcing properties that are high-quality, well-leased, multi-functional and strategically located. We target properties that can deliver steady and growing free cash flows to the Trust over the long term and aim to acquire these properties at below replacement cost.

As previously mentioned, Dream will commit its platform and relationships to support the Trust's growth and success in Europe. Specifically, Mr. Alexander Sannikov and Mr. Bruce Traversy have joined the Trust in dedicated senior operating and investment roles.

Mr. Sannikov joined Dream in 2008 and was previously Chief Operating Officer of Dream Global REIT and had oversight of Dream Global's operating performance, portfolio strategy and capital allocation. Previously, he was Senior Vice President, Commercial Properties of Dream and was involved in underwriting and managing Canadian commercial properties for Dream, including existing assets currently owned by Dream Industrial REIT.

Mr. Traversy joined Dream in 1997 and was previously Senior Vice President, Head of Investments of Dream Global REIT and had oversight of Dream Global's investment strategy and its execution across Europe. Mr. Traversy also has 20 years of experience acquiring industrial assets in Canada, including existing assets currently owned by Dream Industrial REIT.

"*We are very excited to announce our European expansion strategy which will allow Dream Industrial to diversify its portfolio into Europe by acquiring high quality assets at attractive risk-adjusted returns, pair them with low-cost debt and achieve attractive overall returns for Dream Industrial's unitholders*," said Brian Pauls, CEO of Dream Industrial REIT. "*Alex and Bruce were invaluable members in helping Dream Global become one of the leading public real estate platforms and brands in Europe since its inception. Now, Dream Industrial can leverage Dream's skills and relationships to spearhead our new European industrial business, improve operations across Canada, and work closely with our U.S. industrial platform to help us to continue to deliver long-term value to our unitholders.*"

"*Our debt strategy will allow Dream Industrial to significantly reduce its overall cost of debt over time with approximately 200 basis points of savings compared to the cost of debt in North America, while providing an effective hedge for the currency exposure on its investments in Europe,*" said Lenis Quan, CFO of Dream Industrial REIT. "*We believe that this debt strategy will allow us to reduce the REIT's overall cost of borrowing by 40% over the medium term."*

Acquisition Portfolio and Market Overview

Netherlands

The Netherlands industrial market continues to benefit from healthy economic growth and record-low unemployment levels. Netherlands is home to the Port of Rotterdam, the largest container port in Europe and amongst the 15 largest ports in the world, as well as Schiphol Airport in Amsterdam, one of the busiest cargo airports globally. The strong infrastructure for freight transport, coupled with the development of the e-commerce sector, continues to boost demand for well-located warehouse and logistics space in the Netherlands. Resulting from these attractive fundamentals, the Dutch industrial and logistics markets have been one of the top-performing markets in Europe. Declining vacancy rates and a low- to moderate-level of incoming supply have continued to put upward pressure on rental rates.

The Dutch Portfolio comprises 34 high-quality light industrial and logistics properties primarily concentrated in the country's major urban centres including Amsterdam and Rotterdam, with over 80% of the properties located within 30 km of their respective city centres. The portfolio spans 2.4 million square feet and is 96% leased to over 70 tenants, providing a safe and diversified tenant mix. The tenant base consists of an attractive mix of large and medium sized enterprises that span across multiple industries with significant capital invested by several tenants at their respective properties. The portfolio's concentration near major urban centres enables it to serve as key last mile distribution sites and capture growing demand from e-commerce focused users for industrial space in these markets. The purchase price of $257 million represents an attractive going-in yield of 6.2% with the opportunity to further grow cash flow through the lease-up of vacant space and capturing rental rate growth on lease roll-over. The average in-place rental rate is 5% below current market rent and the portfolio has a weighted average lease term of 5 years. The transactions are expected to close in the first quarter of 2020.

Dutch Portfolio

Germany

The German industrial market continues to benefit from growing demand from distribution and logistics users. Net absorption in the first nine months of 2019 has exceeded the 5 and 10-year averages by 5% and 21% respectively (*JLL Industrial and Logistics Overview, October 2019*). New supply remains insufficient to fulfil the growing demand as majority of new construction is already pre-leased. This has led to higher rental rates in most German markets.

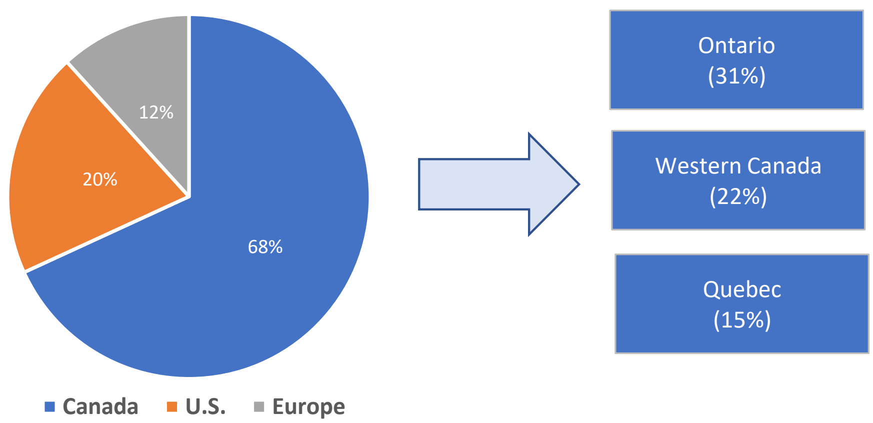
The German Portfolio is near Frankfurt and Dresden, and was secured by the Dream acquisition team through an off-market channel. It is comprised of three high-quality light industrial properties with an average occupancy of 92% and combined 738,000 square feet. The properties are highly functional, well located in strong urban logistics locations with excellent transport access and leased to 18 tenants. The purchase price of $70 million represents an attractive going-in yield of 5.8%, with potential long-term upside from development of additional density. The transactions are expected to close in the first half of 2020.

German Portfolio

Proforma Portfolio

Upon completion of the above acquisitions in the Netherlands, Germany and Canada, the Trust's income-producing portfolio will comprise 264 properties with a total GLA of 26.3 million square feet and a pro forma gross asset value of $2.8 billion. The following chart illustrates the Trust's geographic exposure based on gross asset value on a pro forma basis following the closing of the Dutch and German portfolios, and approximately $170 million of acquisitions that are exclusive, are under contract or have closed since September 30, 2019 in Canada. Within the Trust's Canadian portfolio, Ontario and Quebec would account for more than 65% of the Trust's properties (by investment property values).

The Trust's pro forma income-producing portfolio geographic distribution by investment property values



About Dream Industrial REIT

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. As at September 30, 2019, excluding assets held for sale, Dream Industrial REIT owned and operated a portfolio of 209 geographically diversified light industrial properties comprising approximately 21.8 million square feet of gross leasable area in key markets across North America. Its objective is to grow and upgrade the quality of 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 news release may contain 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 in this news release may include, among other things, statements regarding our future growth and the future value of our portfolio; our ability to increase scale in Canada, the United States and Europe; our ability to deliver long-term value to our unitholders; our European expansion strategy; the anticipated timing of closing of the acquisitions referred to in this press release (the "Acquisitions"); the sources of funding for the Acquisitions and other future acquisitions; our expectations of cash flows from the properties acquired pursuant to the Acquisitions (the "Acquisition Portfolios") and their effect on NAV and NOI growth; the Trust's intentions for financing the Acquisition Portfolios; the expected going in cap rates of the Acquisition Portfolios; the pro-forma composition of our portfolio after the completion of the Acquisitions, including the number of properties in our portfolio, our total GLA, our gross asset value, and our geographic exposure; expected rental growth in Europe; future supply in the European industrial market; the future performance of the European industrial and logistic sector; anticipated risk-adjusted returns on European industrial assets; potential premiums for industrial portfolios in Europe; our potential acquisitions and development opportunities in Europe, Canada and the United States; our ability to identify accretive transactions and build a meaningful pipeline of acquisition and development opportunities in our target markets; our ability to source high-quality assets at attractive returns; our ability to acquire properties at below replacement cost; our intention to continue expanding in Germany and the Netherlands and other core logistics markets in Western Europe; our level of exposure to Europe over the medium term; our hedging and debt strategies, including our ability to hedge our entire Euro capital exposure by borrowing 100% of the Euro value of the Trust's portfolio to mitigate currency risk; the effect of our hedging and debt strategies on leverage and FFO per unit; our anticipated cost of debt, risk profile and leverage structure; expected sources of debt capital; our ability to *access European interest rates and their effect on our cost of debt; our ability to obtain lower interest rates while mitigating currency risk on our investments; expected growth of our unencumbered asset pool; our ability to maintain a low leverage ratio with a higher proportion of the debt hedged in Euros; our ability to obtain an investment grade credit rating and unsecured financings and the timing thereof; our intention to transition 50% of our financing to Euro-denominated debt reducing our cost of debt by up to one-third; our ability to leverage our partners platforms and experience in the execution of our European expansion strategy and hedging and debt strategies; the effect of our European expansion strategy and hedging and debt strategies on our results and financial position; and our ability to deliver long-term value to our unitholders. 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 that 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, global and local economic and business conditions; changes to laws, including tax laws; the financial condition of tenants; our ability to raise additional capital; our ability to refinance maturing debt; our ability to execute our strategic plans and meet financial obligations; risks associated with our anticipated real estate operations and investment holdings in general, including environmental risks, market risks, and risks associated with inflation; leasing risks, including those associated with the ability to lease vacant space; interest and currency rate fluctuations and other financial exposures; and with respect to the Acquisitions, the risk of failure of completion, failure to receive any required approvals or consents in connection with the Acquisitions, failure to satisfy or waive any conditions to the completion of the Acquisitions or to realize the expected benefits from the Acquisitions, as well as the risk that the Acquisition Portfolios may not perform as anticipated, if acquired. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains stable; there are no unforeseen changes in the legislative and operating framework for our business will occur, including unforeseen changes to tax laws or governmental regulations in Canada, the United States or Europe; interest rates remain stable (including that interest rates in Europe remain below North American rates); there will not be a material change in foreign exchange rates, particularly in respect of the U.S. dollar, the Canadian dollar and the Euro, as compared with our assumed foreign exchange rates; conditions within the real estate market (including cap rates) remain consistent; capital expenditure requirements and general and administrative expense remain consistent with current expectations; our future level of indebtedness and our future growth potential will remain consistent with our current expectations; that conditions in Canada, the United States and Europe and, in particular, the industrial real estate market, including competition for acquisitions, will be consistent with the current climate; the capital markets continue to provide ready access to equity and/or debt; the Acquisitions are completed as currently contemplated; and our hedging and debt strategies achieve their intended goals. All forward-looking information in this news release speaks as of the date of this news 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.*

For further information, please contact:

Dream Industrial REIT

Brian Pauls
Chief Executive Officer
(416) 365-2365
bpauls@dream.ca

Lenis Quan
Chief Financial Officer
(416) 365-2353
lquan@dream.ca