

## DREAM INDUSTRIAL REIT ANNOUNCES 1 MILLION SQUARE FEET OF LEASING & INVESTMENT UPDATE

*This press 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, OCTOBER 20, 2020, Dream Industrial REIT (TSX: DIR.UN) (“Dream Industrial REIT”, “DIR”, or the “Trust”)** announced today a business update on recent leasing and acquisition activity.

*“We are excited to announce strong leasing activity in our markets,” said Brian Pauls, Chief Executive Officer of Dream Industrial REIT. “Despite the market disruption this year, we continue to increase occupancy, grow rental rates, and are poised to close on over \$600 million of acquisitions this year in Toronto, Kitchener, Montreal and our core European markets. Our focus on portfolio high-grading as well as the strength of our strategic platforms and local relationships continue to drive strong results.”*

### LEASING UPDATE

Industrial fundamentals remain robust and the Trust’s high-quality portfolio continues to attract tenants from a diverse set of industries. Since the end of the second quarter, the Trust has completed over 30 new leases on currently vacant space totalling over 300,000 square feet at rates over 30% above prior rents. In addition, over this period, the Trust completed over 650,000 square feet of renewals at rates approximately 14% above prior rents. Highlights include:

- The Trust has leased its 98,000 square foot vacancy in the Greater Toronto Area (“GTA”) to a U.S. logistics company at a rental rate that is approximately 50% higher than the prior rental rate and includes 3.25% contractual annual rent growth over the term of the lease. The lease is scheduled to commence in May 2021.
- Recently, the Trust signed a 10-year renewal with a tenant occupying 79,000 square feet in the GTA at a spread over the expiring rent of approximately 60% along with 3.5% annual contractual rent growth over the 10-year term. The renewal is effective January 1, 2021.
- In Cambridge, ON, the Trust has leased a 44,000 square foot building that recently became vacant for a 5-year term at rates over 40% above the expiring rent with 3% annual rent escalators.
- In Mississauga, ON, the Trust completed three new leases totaling over 50,000 square feet at rates approximately 50% above prior rents.
- In Chicago, IL, the Trust signed a 5-year renewal with a tenant occupying 213,000 square feet at a spread over the expiring rent of over 30% along with 2.75% annual contractual rental rate growth over the 5-year term. The renewal is effective April 1, 2021.
- In addition, the Trust has agreed on lease terms with a Fortune 500 company for its 303,000 square foot vacancy in Louisville, KY. The Trust expects to finalize the lease agreement in the fourth quarter of 2020.

*“Our leasing activity in the third quarter highlights the strength of our portfolio and reinforces our investment thesis as occupiers across Canada, the U.S. and Europe continue to seek modern, high-quality industrial space in urban locations,” said Alexander Sannikov, Chief Operating Officer of Dream Industrial REIT. “Much of the new leasing we announced today addresses our 2020 transitory vacancies and we expect that our leasing activity and pipeline will translate into robust operating performance in 2021.”*

## **ACQUISITIONS UPDATE**

The Trust continues to execute on its growth strategy. Since the end of the second quarter, the Trust has completed approximately \$86 million of acquisitions in Europe and Canada, and is firm or exclusive on an additional \$102 million in Germany, the Netherlands and Ontario, Canada.

The Trust has closed on the previously announced acquisition of one property in Germany for €16 million (\$25 million). In addition, the Trust acquired a 300,000 square foot property in Breda, Netherlands.

In Canada, the Trust acquired a 116,000 square foot building in the GTA and a 77,000 square foot building in the Laval submarket of Montreal, adding to the Trust’s 700,000 square foot cluster in this node.

### **Breda, Netherlands**

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The Breda asset is a modern single-tenant logistics building that was extensively renovated in 2018 and spans 300,000 square feet of gross leasable area. The building is well-suited to logistics users with a clear height of 42.7 feet. The property is leased to a third-party logistics provider involved in e-commerce fulfillment, with a remaining lease term of 9.3 years. The Trust acquired the property at a going-in capitalization rate (“cap rate”) of 5.8%.

Mississauga, Canada

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The GTA property is a Class A industrial building that is well-located and is in close proximity to Highways 401 and 407. Built in the mid-1990s, the asset spans 116,000 square feet and has a clear height of 30 feet. Approximately 100,000 square feet are expected to be vacated by existing tenants in Q4 2020 and Q1 2021 with markets rent over 60% higher than the average expiring rent, allowing the Trust to capitalize on the robust demand for high quality distribution space in the GTA. The Trust expects to stabilize the asset at a cap rate of over 5.5% in 2021.

In addition to the above acquisitions, the Trust is firm or exclusive on four assets in Europe and one in Ontario, Canada for a total purchase price of \$102 million, representing a going-in cap rate of 5.8%. Subject to satisfactory due diligence, the Trust expects to close on these acquisitions over the balance of 2020. The Trust's acquisition pipeline continues to be robust with over \$500 million of acquisitions in Canada, Europe and the U.S. under consideration.

*“Pro forma these acquisitions, the Trust will have acquired over \$600 million of assets in 2020, showcasing the strength of its acquisition platform and its unique expertise in sourcing high-quality opportunities in North America and Europe, through off-market deals at attractive economics,” said Lenis Quan, Chief Financial Officer of Dream Industrial REIT. “We expect that we could complete approximately \$300 million in additional acquisitions before reaching our target leverage levels.”*

## RENT COLLECTIONS UPDATE

Along with robust leasing momentum, rent collection has been strong in the Trust's portfolio:

- 98% of Q3 2020 rent collected or addressed through the Trust's participation in the Canada Emergency Commercial Rent Assistance ("CECRA") program.
- rent collection for Q2 2020 increased over the course of the third quarter to 99% after taking into account the impact of CECRA and rent deferrals.
- the Trust has not entered into any material rent deferral arrangements during the third quarter. In addition, the trust collected over 70% of the amounts deferred in Q2 2020.
- CECRA participation declined by approximately 25% in August and September 2020 compared to July and Q2 2020.

The Trust's rent collections for the third quarter of 2020 as well as updated collection results for the second quarter of 2020 are summarized in the table below.

As of October 19, 2020:

SELECTED OPERATIONAL STATISTICS (unaudited)	Q2 2020	Q3 2020
Cash collected from tenants	93.6%	94.9%
CECRA cash collected from government	2.4%	2.0%
<b>Sub-total of cash collected from tenants and government*</b>	<b>96.0%</b>	<b>97.0%</b>
Deferrals Granted (with defined repayment schedule)	3.5%	0.0%
Cash collected on deferrals	-1.7%	0.0%
<b>Sub-total of deferrals (net of cash collected)*</b>	<b>1.8%</b>	<b>0.0%</b>
CECRA (the Trust's portion)	1.2%	1.0%
<b>Sub-total of cash collected, adjusted for CECRA and deferrals*</b>	<b>99.0%</b>	<b>98.0%</b>
Remaining to be collected	1.0%	2.0%
<b>Total*</b>	<b>100.0%</b>	<b>100.0%</b>

\*includes applicable taxes

### About Dream Industrial Real Estate Investment Trust

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. To date, the Trust owns and operates a portfolio of 266 industrial properties comprising approximately 26.6 million square feet of gross leasable area in key markets across North America and a growing presence in strong European industrial markets. The Trust's objective is to continue to grow and upgrade the quality of its portfolio and to provide attractive overall returns to its unitholders. For more information, please visit [www.dreamindustrialreit.ca](http://www.dreamindustrialreit.ca).

### **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 leverage or level of debt (net debt-to-assets ratio) as well as other measures discussed elsewhere in this press 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 to 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" section in Dream Industrial REIT's MD&A for the three months ended June 30, 2020.*

### **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 to achieve those objectives; expectations regarding the industrial real estate market and the future performance of our portfolio; our ability to improve operating performance through recent leasing activity as well as our leasing pipeline; the strength of our investment pipeline; anticipated timing of closings; future acquisition activity and leverage levels; future vacancies and stabilized cap rates; and our ability to execute on growth 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 the Trust'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; uncertainties surrounding the COVID-19 pandemic; the financial condition of tenants and borrowers; mortgage and interest rates and regulations; leasing risks, including those associated with the ability to lease vacant space; rental rates on future leasing; interest and currency rate fluctuations; and competition. Assumptions upon which forward-looking information is based may include, but are not limited to: a gradual recovery and growth of the general economy over the remainder of 2020 and 2021; relatively historically low interest costs; access to equity and debt capital markets to fund, at acceptable costs, future capital requirements and to enable our refinancing of debts as they mature; the availability of investment opportunities for growth in our target markets; the timing and ability to sell certain properties; the valuations to be realized on property sales relative to current IFRS values; maintaining occupancy levels; and anticipated replacement of expiring tenancies. All forward-looking information in this press release speaks as of the date of this press release. The Trust 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 disclosed in filings with securities regulators filed on SEDAR ([www.sedar.com](http://www.sedar.com)). These filings are also available at the Trust's website at [www.dreamindustrialreit.ca](http://www.dreamindustrialreit.ca).*

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