

DREAM INDUSTRIAL REIT ANNOUNCES NATIONAL PORTFOLIO ACQUISITION TOTTALLING \$128 MILLION

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 13, 2014, DREAM INDUSTRIAL REIT (DIR.UN-TSX) (the “REIT”, “Dream Industrial”) today announced that it has entered into agreements with each of KingSett Capital (“KingSett”) and Dream Office REIT (“Dream Office”) to acquire two separate portfolios totalling 1.35 million square feet of industrial properties (the “Portfolios”) for approximately \$128 million. The acquisitions will be funded by issuing approximately 2.7 million units of equity to an affiliate of KingSett and approximately 2.3 million units of equity to Dream Office, in each case at a price of \$9.40 per unit, with the balance funded by new and assumed mortgage debt. Closing of both acquisitions is expected to occur in September and is subject to customary closing conditions and consents.

The KingSett portfolio consists of 1.1 million square feet of single and multi-tenant light industrial properties in Calgary, the Greater Toronto Area (“GTA”) and Montreal, with a total purchase price of \$94.7 million. The portfolio is 97.7% occupied with a weighted average lease term of 7.0 years. The REIT will issue 2.7 million units to KingSett with a total value of \$25 million (based on a price of \$9.40 per unit) and fund the remaining purchase price with cash on hand and debt, including \$67 million of new mortgage debt. Arrangement of mortgage financing with a major Canadian bank is in progress, and management expects to finance with a term of seven years at an interest rate of approximately 3.6% based on prevailing bond pricing.

The Dream Office portfolio consists of 248,000 square feet of multi-tenant flex industrial properties located in Edmonton with a purchase price of \$33 million. These properties were intended to be transferred to Dream Industrial REIT at the time of its IPO. The properties are 95.1% occupied with a weighted average lease term of 3.1 years. The REIT will issue 2.3 million LP B units to Dream Office having a total value of \$22 million (based on a price of \$9.40 per unit), with the remainder funded by the assumption of existing mortgages totalling \$11 million with a weighted average interest rate of 4.0%. The issuance of LP B units to Dream Office is subject to the approval of the Toronto Stock Exchange.

ACQUISITION HIGHLIGHTS

- **Immediately accretive** – The acquisitions are accretive to AFFO by approximately 1.5 cents per unit on an annualized basis. On a leverage-neutral basis, the acquisitions would be accretive to AFFO by 0.5 cents per unit. The portfolios have a year-one capitalization rate of 7.0%. Including property management fee income, the capitalization rate increases to 7.3%.
- **Excellent locations, geographically diversified across strong Canadian industrial markets** – The portfolios consist of a total of 1.35 million square feet located in the major markets of Calgary, Edmonton, the GTA and Montreal, proportionally increasing the REIT’s presence in Alberta. All four of these markets are demonstrating strong fundamentals, with low and decreasing vacancy levels and increasing rents per square foot.
- **Additional scale, with low incremental management costs** – The high occupancy level of 97.2% and long weighted average lease term of the portfolios provides additional scale and cash flow with low incremental property management effort.
- **Continued strong capital metrics** - On a pro forma basis, the REIT will be 53.4% levered after the transaction, with the \$67 million of anticipated new seven year mortgage debt further extending and balancing the REIT’s debt maturity schedule.

“This is an accretive transaction that strengthens our existing platform by adding a diversified portfolio of assets with long term leases, providing quality cash flow with low incremental management costs,” said Randy Cameron, President and CEO. “The support of KingSett and Dream Office by receiving additional equity at a price which we believe approximates the net proceeds that we would receive on a public offering of our units, based on a \$10 unit price net of costs, helps contribute to the accretion of this transaction.”

Portfolio Overview:

Post-closing of the acquisitions, the portfolio will be 95.7% occupied with a weighted average lease term of 4.7 years and an in-place rent of \$7.02 per square foot. Rents will be, on average, 4.4% below estimated market rents. The tables below detail the pro forma effect of both acquisitions on the REIT’s geographic distribution and portfolio metrics.

	Gross leaseable area (sq. ft.)			Geographic distribution of NOI		
	June 30, 2014	Acquired Portfolios	Pro forma the acquisitions	June 30, 2014	Acquired Portfolios	Pro forma the acquisitions
Western Canada	4,244,710	599,490	4,844,200	36%	54%	37%
Ontario	4,825,364	320,695	5,146,059	28%	28%	28%
Quebec	3,732,891	426,545	4,159,436	18%	18%	18%
Eastern Canada	2,810,722	-	2,810,722	18%	-	17%
Total	15,613,687	1,346,730	16,960,417	100%	100%	100%

Portfolio	June 30, 2014	Pro forma the acquisitions
Gross leasable area (square feet)	15.6 million	17.0 million
Number of properties	205	219
Average remaining lease term (years)	4.5	4.7
Average in-place rent (per square foot)	\$7.04	\$7.02
Average market rent (per square foot)	\$7.40	\$7.33
Number of tenants	1,265	1,328
NOI by Multi-tenant / Single-tenant	66% / 34%	66% / 34%
Occupancy rate (%)	95.6%	95.7%

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust. Dream Industrial REIT owns a portfolio of 205 primarily light industrial properties comprising approximately 15.6 million square feet of gross leasable area in key industrial markets across Canada. Its objective is to build upon and grow its portfolio and to provide stable, sustainable and growing cash distributions to its unitholders. For more information, please visit www.dreamindustrialreit.ca.

Forward looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation. 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 functions. Specific risks and uncertainties relating to the two acquisitions described in this press release include the fact that the REIT is in the process of obtaining new mortgage financing in connection with the acquisitions and may not obtain such financing on the terms and conditions it expects, the risk that the REIT may not receive a required approval or consent in connection with either of the acquisitions or that it may not satisfy or waive any other condition to either of the acquisitions, the risk that the REIT may not realize the expected financial or other benefits from the acquisitions and the risk that the performance of the portfolios may not be 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. Specific assumptions

relating to the acquisitions include the REIT's assumption that the acquisitions and related mortgage financing will be completed in all material respects on the terms and conditions anticipated by the REIT and that both portfolios perform as anticipated by the REIT based on its due diligence. 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. 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

Randy Cameron
President & Chief Executive Officer
(403) 270-2480
rcameron@dream.ca

John Todd
Chief Financial Officer
(416) 365-8963
jtodd@dream.ca