

DREAM INDUSTRIAL REPORTS 6.5% GROWTH IN AFFO PER UNIT OVER PRIOR YEAR.

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 17, 2015, DREAM INDUSTRIAL REIT (DIR.UN-TSX) today announced its financial results for the three and twelve months ended December 31, 2014.

HIGHLIGHTS

- **Adjusted Funds From Operations (“AFFO”) per unit increased by 6.5% over prior year** – Diluted AFFO for the year ended December 31, 2014 was 79.1 cents compared to 74.3 cents or 6.5% over the prior year and diluted AFFO for the three months ended December 31, 2014 was 20.2 cents compared to 19.2 cents for the three months ended December 31, 2013 and 19.6 cents for the three months ended September 30, 2014.
- **Strong leasing pipeline maintained** – Approximately 848,000 square feet of new leasing and renewals commenced in the fourth quarter at rates 2.2% higher than rates on expiries and terminations. To date, commitments have been obtained for over one million square feet of new leasing and renewals commencing in 2015 compared to 2.8 million square feet of expiries.
- **Occupancy of 96.0% at December 31, 2014 compared to 95.5% at September 30, 2014 and 95.7% at December 31, 2013** – Occupancy at December 31, 2014 includes 140,000 square feet of commitments on vacant space.
- **AFFO payout ratio decreases to 88.5%** – The AFFO payout ratio is 88.5% in 2014 compared to 93.4% in 2013, reflecting the growth in cash flow from the portfolio.

SELECTED FINANCIAL INFORMATION

(unaudited)

(\$000's except unit and per unit amounts)	Three Months Ended			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Investment properties revenue	\$ 44,588	\$ 40,319	\$ 41,149	\$ 166,249	\$ 142,944
Net operating income (“NOI”)	29,989	28,026	27,060	112,764	98,927
Funds from operations (“FFO”)	18,833	17,345	16,872	70,484	61,514
Adjusted funds from operations (“AFFO”)	15,541	14,276	13,630	58,028	49,164
Investment properties value	1,681,781	1,687,005	1,540,791	1,681,781	1,540,791
Debt	921,293	918,029	840,382	921,293	840,382
Per unit data⁽¹⁾					
AFFO – diluted	0.202	0.196	0.192	0.791	0.743
FFO – diluted	0.240	0.233	0.233	0.944	0.914
Distributions	0.175	0.175	0.175	0.70	0.694
FFO payout ratio (%) ⁽²⁾	72.9%	75.1%	75.1%	74.2%	75.9%
AFFO payout ratio (%) ⁽²⁾	86.6%	89.3%	91.1%	88.5%	93.4%
Units (period-end)					
REIT Units	58,035,125	57,936,869	54,921,726	58,035,125	54,921,726
LP Class B Units	18,551,855	18,551,855	16,282,096	18,551,855	16,282,096
Total number of units	76,586,980	76,488,724	71,203,822	76,586,980	71,203,822
Portfolio gross leasable area (square feet)	16,942,899	17,026,940	15,663,357	16,942,899	15,663,357
Occupied and committed space	96.0%	95.5%	95.7%	96.0%	95.7%
Average occupancy for the period	94.6%	93.9%	94.3%	94.4%	94.9%

See footnotes on page 3.

“The Canadian industrial market is on solid footing,” said Brent Chapman, President and Chief Executive Officer. “We are experiencing positive leasing in our Central and Eastern markets where our tenant base is benefiting from low oil prices, low interest rates, a low Canadian dollar and the strong U.S. economy. We continue to have high occupancy and strong leasing in Western Canada.”

FINANCIAL HIGHLIGHTS

- **AFFO Growth** – AFFO per unit was 79.1 cents per unit for the year, which is 6.5% ahead of 2013. AFFO for the quarter was \$15.5 million or 20.2 cents on a per unit basis. AFFO per unit for the quarter was 5.2% higher than the same period in the prior year. AFFO per unit for the quarter was 0.6 cents higher than the third quarter, primarily due to the acquisitions completed in September 2014 and an increase in comparative property NOI.
- **Increase in FFO per unit** – FFO per unit was 94.4 cents per unit for the year, which is 3.3% ahead of 2013. FFO for the quarter was \$18.8 million or 24.0 cents per unit. FFO per unit for the quarter increased by approximately 3.0% when compared to the same period in the prior year and increased by 3.0% compared to the third quarter of 2014.
- **Total NOI of \$30.0 million for the quarter** – Total NOI has grown 10.8% for the quarter compared to the same period last year, as a result of acquisitions completed in the third quarter of 2014 and comparative property NOI growth of 3.1%. For the full year, comparative property NOI increased over the prior year by 3.2%. Comparative property NOI compared to the third quarter of 2014 increased by 1.4% due to higher weighted average occupancy and in-place rental rates, largely from the Western Canada region.

OPERATIONAL HIGHLIGHTS

- **Strongest quarter of leasing to date** – Leasing activity during the fourth quarter included 400,000 square feet of new leases, 448,000 square feet of renewals and lease commitments of 140,000 square feet, compared to 637,000 square feet of expiries and 8,000 square feet of early terminations. At the end of the year, the Trust had 814,000 square feet of vacant space, of which 140,000 square feet is committed for future occupancy. The Trust has already leased over one million square feet, or 40%, of the 2.8 million square feet of space expiring in 2015. The average remaining lease term at December 31, 2014 is 4.4 years.
- **Portfolio occupancy increased to 96.0%** – Overall occupancy (including committed space) was 96.0% compared to 95.5% at end of the third quarter of 2014 and 95.7% at December 31, 2013.
- **Positive leasing spreads on renewals** – In-place rents increased to \$7.05 per square foot compared with \$7.03 at September 30, 2014, as a result of positive spreads on leasing. Renewals were completed at \$7.42 per square foot which is \$0.31 above the expiring rates for those spaces.
- **Estimated market rents 4.4% above average in-place rents** – At quarter-end, estimated market rents were approximately 4.4% above the Trust's current average in-place rental rate of \$7.05 per square foot. The 4.4% difference between in-place and market rent provides the Trust with opportunities for continued rental rate growth.

	GLA (million sq. ft.)	Occupancy (%)	Average lease term (years)	Average in-place rent (per sq. ft.)	Estimated market rent (per sq. ft.)
Western Canada	4.8	97.5	4.4	\$ 8.88	\$ 9.65
Ontario	5.1	98.0	4.1	6.06	6.16
Quebec	4.2	93.3	5.7	6.05	6.16
Eastern Canada	2.8	93.9	3.2	7.17	7.35
Total	16.9	96.0	4.4	\$ 7.05	\$ 7.36

- **Disposition of assets** – Since year end, the Trust has completed the disposition of four properties in Calgary for gross proceeds of \$10.9 million, which were used to repay existing debt. These dispositions are consistent with our strategy to recycle capital and enhance the quality of our portfolio.

CAPITAL STRUCTURE

The Trust's capital structure remained stable during the quarter, with leverage at 52.9% and interest coverage of 3.0 times.

Key performance indicators ⁽³⁾	December 31, 2014	September 30, 2014	December 31, 2013
Level of debt (debt-to-total assets)	52.9%	52.8%	52.6%
Interest coverage ratio	3.0 times	3.0 times	2.9 times
Weighted average face interest rate on all debt	4.07%	4.11%	4.18%
Weighted average effective interest rate on all debt	3.85%	3.86%	3.84%
Debt – weighted average term to maturity (years)	3.9	4.1	4.1

See footnotes on page 3

The Trust obtained a financing commitment for a \$33 million mortgage for a term of seven years at a rate of 2.63% secured by a portfolio of four properties in Regina. Net proceeds of approximately \$22.9 million after repayment of an existing mortgage will be used to repay amounts drawn on the credit facility. The Trust continues to improve its financial metrics, with leverage stable at 52.9% and is strategically looking at opportunities to take advantage of the current favorable interest rate environment, while continuing to maintain a balanced debt maturity profile.

CONFERENCE CALL

Senior management will host a conference call to discuss the results tomorrow, February 18, 2015 at 2:00 p.m. (ET). To access the conference call, please dial 1-866-229-4144 in Canada and the United States or 416-216-4169 elsewhere and use passcode 9411 711#. 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 a portfolio of 216 primarily light industrial properties comprising approximately 16.9 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.

FOOTNOTES

(1) A description of the determination of diluted amounts per unit can be found in our Management's Discussion and Analysis for the years ended December 31, 2014 and December 31, 2013 under the heading "Non-GAAP Measures and Other Disclosures".

(2) Payout ratios for FFO and AFFO are calculated as the ratio of distribution rate to diluted FFO and AFFO per unit, respectively.

(3) The key performance indicators include the results of operations for the years ended December 31, 2014, December 31, 2013 and for the three months ended December 31, 2014, September 30, 2014 and December 31, 2013.

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 Net Operating Income ("NOI"), Funds From Operations ("FFO"), Adjusted Funds From Operations ("AFFO"), Level of debt (debt-to-total assets), leverage 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 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 year ended December 31, 2014.

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. 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.

For further information, please contact:

Dream Industrial REIT

Brent Chapman
President and Chief Executive Officer
(416) 365-5265
bchapman@dream.ca

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