

## **PROREIT Announces Closing of Five Industrial Buildings and Boutique Office Tower for \$49.3 Million**

MONTREAL, Sept. 17, 2019 /CNW Telbec/ - PRO Real Estate Investment Trust (TSX: PRV.UN) ("PROREIT" or the "REIT") is pleased to report that it has closed its previously announced 100% interest acquisitions of five light industrial buildings in Halifax, Nova Scotia, and a boutique office tower in Ottawa, Ontario. The six properties, acquired from two separate vendors for an aggregate purchase price of \$49.3 million before closing costs and representing a going-in capitalization rate of 6.70%, add 416,027 square feet of gross leasable area ("GLA") to the REIT's current portfolio.

"We are pleased to have successfully closed these six properties, which represent slightly over 50% of the total purchase price of the seven acquisitions announced last month, with the remaining mixed-used industrial property located in Kanata, Ontario, expected to close in the coming weeks," said Jim Beckerleg, President and CEO, PROREIT.

"Our financial position has never been stronger. Our recent successful equity raise and exceptional mortgage offerings allow us to finance these purchases on an accretive basis to our AFFO per unit, while also reducing our leverage," added Mr. Beckerleg. "The focus will now be on integrating these new assets, and on continuing to build and diversify our high-quality portfolio."

### ***Halifax Light Industrial Properties, Halifax, Nova Scotia***

Located in Burnside Industrial Park, the portfolio of five light industrial buildings was acquired for an aggregate purchase price of \$28.1 million from a domestic institution, representing \$78 per square foot. The portfolio consists of 357,824 square feet of GLA, with an overall occupancy rate of 93% and a weighted average lease term of 4.0 years. With clear heights between 18 and 24 feet, the buildings will increase PROREIT's industrial and commercial mixed-used exposure to more than 2 million square feet, representing 48% of total GLA. This acquisition provides PROREIT a good presence in the strengthening Halifax industrial market that has received increased interest from institutional investors recently.

The \$28.1 million purchase price was financed by the proceeds from a new \$19.7 million 10-year first mortgage at a rate of 2.93%. The balance of the purchase price was satisfied with cash on hand of \$8.4 million received from the recent equity financing.

<b>Property Address</b>	<b>GLA (sq. ft.)</b>
26-28 Topple Drive	201,132
45 Wright Avenue	15,360
71 Ilsley Avenue	47,104
81 Ilsley Avenue	47,044
101 Ilsley Avenue	47,184
<b>Total</b>	<b>357,824</b>

### ***251 Laurier Avenue West, Ottawa, Ontario***

The Laurier property is an institutionally-owned and managed 11-storey boutique office tower situated in the heart of Ottawa's central business district, acquired for \$21.2 million. The building, which features 58,203 square feet of premium office and ground floor retail space, occupies a valuable corner location that benefits from excellent visibility and accessibility. The property is 100% leased to a diverse roster of exceptional private sector tenants with a weighted average lease term of approximately 4.6 years.

The Laurier property is in the commercial and economic centre of Ottawa, surrounded by popular tourist sites and retail amenities. The area is well-served by multiple restaurants and retail offerings. The new O-train LRT expansion, the Confederation Line, is set to further bolster transit services when it becomes operational. Given the high concentration of technology talent, some of the most innovative companies in North America - including Amazon, Bell, IBM, Nokia and Shopify - are present in downtown Ottawa.

The \$21.2 million purchase price was financed by the proceeds from a new \$13.3 million 10-year first mortgage at an interest rate of 2.94%. The balance of the purchase price was satisfied with cash on hand of \$7.9 million received from the recent equity financing.

## About PRO Real Estate Investment Trust

PROREIT ([www.proreit.com](http://www.proreit.com)) is an unincorporated open-ended real estate investment trust owning a diversified portfolio of 90 commercial properties across Canada representing over 4.1 million square feet of GLA, which will increase to 91 commercial properties representing over 4.4 million square feet of GLA, following the completion of the REIT's announced acquisitions. Established in 2013, PROREIT is mainly focused on strong primary and secondary markets in Quebec, Atlantic Canada and Ontario, with selective exposure in Western Canada.

For more information on PROREIT, please visit the REIT's website at: <https://proreit.com>.

## Non-IFRS and Operational Key Performance Indicators

PROREIT'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, PROREIT discloses and discusses certain non-IFRS financial measures, including adjusted funds from operations ("AFFO"). These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. PROREIT has presented such non-IFRS measures as management believes they are relevant measures of PROREIT's underlying operating performance and debt management. Non-IFRS 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 PROREIT'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-IFRS and Operational Key Performance Indicators" section in PROREIT's Management's Discussion and Analysis for the three and six months ended June 30, 2019, available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Forward-Looking Information

This news release contains forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements are based on a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond PROREIT's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking statements.

Forward-looking statements contained in this press release include, without limitation, statements pertaining to the impact of the acquisitions on the REIT's AFFO per unit, the anticipated closing of the remaining mixed-used industrial property located in Kanata, Ontario and the timing thereof, and the ability of PROREIT to execute its growth strategies. PROREIT's objectives and forward-looking statements are based on certain assumptions, including that (i) PROREIT will receive financing on favorable terms; (ii) the future level of indebtedness of PROREIT and its future growth potential will remain consistent with REIT's current expectations; (iii) there will be no changes to tax laws adversely affecting PROREIT's financing capacity or operations; (iv) the impact of the current economic climate and the current global financial conditions on PROREIT's operations, including its financing capacity and asset value, will remain consistent with PROREIT's current expectations; (v) the performance of PROREIT's investments in Canada will proceed on a basis consistent with PROREIT's current expectations; and (vi) capital markets will provide PROREIT with readily available access to equity and/or debt.

The forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement. All forward-looking statements in this press release are made as of the date of this press release. PROREIT 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 under "Risk Factors" in PROREIT's latest annual information form, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

*Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.*

## SOURCE PROREIT

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<https://proreit.mediaroom.com/2019-09-17-PROREIT-Announces-Closing-of-Five-Industrial-Buildings-and-Boutique-Office-Tower-for-49-3-Million>