

## **PROREIT Announces Two Industrial Property Acquisitions in Southwestern Ontario for \$15.38 Million**

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MONTREAL, Dec. 5, 2018 /CNW/ - PRO Real Estate Investment Trust ("PROREIT" or the "REIT") (TSXV: PRV.UN) is pleased to announce the proposed acquisition of two quality light industrial properties (the "acquisitions") for an aggregate purchase price of \$15.4 million, representing an implied weighted average capitalization rate of 6.8%.

"These high quality, accretive acquisitions expand our presence in Ontario and in the industrial segment of the market, fitting with our diversification strategy and our intent to increase exposure in each of these areas," said James W. Beckerleg, President and Chief Executive Officer.

### **Expanding PROREIT's Industrial Footprint in Ontario**

The two industrial properties are strategically located just west of Cambridge, and in greater Hamilton, both within Ontario's Golden Horseshoe area. They are each on major transportation corridors. The buildings, which are being acquired from a single vendor, contain total gross leasable area (or "GLA") of approximately 202,000 square feet and are fully leased to high quality tenants with weighted average lease terms of 7.1 years.

The \$15.4 million purchase price will be financed by the assumption of \$8.4 million in existing mortgages at a weighted average interest rate of 3.15%. The balance of the transaction will be paid by cash on hand and from existing lines of credit.

The addition of the properties to the REIT's portfolio will increase PROREIT's industrial exposure to 27.1% compared to 24.9% currently. The acquisitions will also increase the REIT's exposure to the Ontario market, which will climb from 16.4% of the portfolio to 19.6%. The acquisitions are subject to standard closing conditions and are expected to close before the end of 2018.

### **1035 Industrial Road, Ayr, Ontario**

Built in 1990, 1035 Industrial Road is located in Ayr, west of Cambridge, Ontario on the TransCanada Highway 401, providing direct access to major markets in Ontario as well as to the States of New York and Michigan in the United States.

The property is a single tenant industrial building that sits on an eight-acre site and with 156,318 square feet of GLA. With 23-foot clear height, the property provides 21 loading docks.

### **63 Innovation Drive, Waterdown, Ontario**

The Innovation Drive property is a high-quality single tenant industrial building built in 2001, with total GLA of 45,879 square feet and a clear height of 24 feet. The building sits on a 2.78-acre site.

63 Innovation Drive is situated in close proximity to Highway 6 and Highway 403, both of which provide easy access to regional markets including Toronto and Hamilton and other markets in Southern Ontario, as well as to New York State in the United States.

### **Asset Management Internalization Threshold Attained**

Upon closing of the acquisitions, the gross book value of the REIT calculated in accordance with its external asset management agreement ("GBV") is expected to increase to approximately \$510 million. As previously announced, PROREIT plans to exercise its option, provided for in its external asset management agreement, to internalize its asset management function once the GBV reaches a threshold of \$500 million. It is anticipated that the internalization will be completed in the first quarter of 2019.

### **About PROREIT**

PROREIT is an unincorporated open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. PROREIT was established in March 2013 to own a portfolio of diversified commercial real estate properties in Canada, with a focus on primary and secondary markets across Canada.

### **Forward-Looking Statements**

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 is 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 includes, without limitation, statements pertaining to the expected timing and completion of the acquisitions, the expected financing of the acquisitions, the impact of the acquisition on the REIT's results and financial performance, and the intention of the REIT to complete the internalization of its asset management function and the timing thereof. PROREIT's objectives and forward-looking statements are based on certain assumptions, including that (i) PROREIT will receive financing on favourable 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 Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

#### SOURCE PROREIT

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