



PROREIT ANNOUNCES BINDING AGREEMENT FOR PREVIOUSLY ANNOUNCED ACQUISITION

January 24, 2017 - Montréal, Québec - PRO Real Estate Investment Trust (“**PROREIT**” or the “**REIT**”) (TSXV: PRV.UN) is pleased to report that it has entered into a binding conditional agreement in respect of one of its previously announced acquisitions. The agreement provides that the REIT will acquire a 50% undivided interest in the property located at 1750 Jean-Berchmans-Michaud Street, Drummondville, Québec for a purchase price of \$3.0 million, representing a capitalization rate of 7.5%. The REIT had previously announced the entering into of a letter of intent for the acquisition of the property.

The property is a freestanding single-tenant industrial property built in 1997 and totalling 171,119 square feet of gross leasable area on 10.75 acres of land. It is fully occupied under a long term lease of 12 years with contracted annual rent steps, expiring in 2028. The property is well located off the Trans-Canada Highway (Route 20), north of Montreal, and offers the opportunity for building expansion in the future. The warehouse has a clear ceiling height of 24 feet.

The purchase price of \$3.0 million is expected to be satisfied by (i) the assumption of 50% of a recently completed 4% ten-year mortgage of approximately \$4.0 million, (ii) the issuance of approximately \$0.9 million of Class B limited partnership units of PRO REIT Limited Partnership (“**Class B LP Units**”), a subsidiary of the REIT, at a price of \$2.25 per Class B LP Unit, and (iii) a cash payment of \$100,000. The acquisition is subject to customary due diligence and closing conditions, including the approval of the TSX Venture Exchange, and is expected to close in the second half of February.

The vendor of the 50% undivided interest in the property is a corporation in which Shenoor Jadavji, a trustee of the REIT, indirectly owns and controls a majority interest. Peter Aghar, a trustee of the REIT, indirectly controls the remaining 50% undivided interest in the property. Upon closing of the transaction, the REIT will enter into a joint venture agreement with the co-owner. The acquisition therefore constitutes a “related party transaction” under Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions (“**MI 61-101**”). The REIT is relying on applicable exemptions from the minority approval and valuation requirements of MI 61-101 for related party transactions on the basis that the transaction has a value of less than 25% of the REIT’s market capitalization.

The transaction was unanimously approved by the independent trustees of the REIT and the purchase price for the property is supported by an independent estimate of the fair market value of the property prepared by an independent appraiser under the supervision of the independent trustees of the REIT. Based on the appraisal, the market value of the property in which the REIT will have a 50% undivided interest is \$6.55 million. In accordance with the terms of the strategic investment agreement with Lotus Crux Acquisition LP, an entity in which Shenoor Jadavji and

Peter Aghar respectively have a 50% interest, a fee of \$26,250 will be paid to Lotus Crux Acquisition LP in connection with the purchase of the property.

About PROREIT

PROREIT (www.proreit.com) 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 in Québec, Atlantic Canada and Ontario with selective expansion into Western Canada. The portfolio is comprised of 39 properties with approximately 2 million square feet of commercial gross leasable area. PROREIT's portfolio is diversified by property type and geography across Québec, New Brunswick, Nova Scotia, Prince Edward Island, Ontario and Alberta.

Forward-Looking Information

Certain statements contained in this news release constitute forward-looking information within the meaning of applicable securities laws. In some cases, forward-looking information can be identified by such terms such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue”, “likely”, “schedule”, or the negative thereof or other similar expressions concerning matters that are not historical facts. Some of the specific forward-looking statements in this news release include, but are not limited to, statements with respect to the closing of PROREIT's announced acquisitions and the terms of such acquisitions and the ability of PROREIT to execute its growth strategies. 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. 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 PROREIT'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. 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, and in other filings that PROREIT has made and may make with applicable securities authorities in the future. For additional information with respect to the

proposed acquisitions of PROREIT and the risks and uncertainties relating thereto, please refer to PROREIT's prospectus dated October 12, 2016, available on SEDAR at www.sedar.com.

The forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement. Investors are cautioned not to put undue reliance on forward-looking statements. 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.

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.

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