FISCAL 2016 WAS A TRANSFORMATIONAL YEAR FOR PROREIT

Continuing growth in key financial and operating metrics

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March 29, 2017 - Montréal, Québec - PRO Real Estate Investment Trust ("PROREIT" or the "REIT") (TSXV: PRV.UN) is pleased to report financial and operating results for the three-months (or "fourth quarter") and twelve-month ("full year") periods ended December 31, 2016. Fourth quarter results are characterized by continuing strong growth in property revenues, net operating income ("NOI")[(1)] and adjusted funds from operations ("AFFO")[(1)], and by strong operating performance.

"It was a transformational year for PROREIT in 2016," said James W. Beckerleg, President and Chief Executive Officer. "Our acquisitions in 2015 and 2016 and the successful development of a new retail pad at the Hall's Creek property in March 2016, underpin strong growth in our property revenue and net operating income.

"Late in the year, we capitalized on improving equity markets for the REIT sector, announcing several new acquisitions, six of which closed before year-end, taking our total assets over the $250 million mark. In conjunction with the acquisitions, PROREIT completed a successful bought deal – our second – raising our market capitalization over $100 million for the first time at the time of closing, which was a significant growth hurdle for our REIT. The success of the bought deal equity financing was reflected not only in the fact that the deal was fully subscribed, but also in the participation of a wide number of investment banking firms in the syndicate, a measure of the growing credibility of PROREIT in financial and real estate markets, concluded Mr. Beckerleg.

Fourth Quarter 2016 Financial and Operating Highlights Compared to Prior Year Periods

- Property revenues increased 9.41% to $6.08 million for fourth quarter; and 26.24% to $22.96 million for the twelve months ended December 31, 2016
- NOI grew 8.25% to $3.65 million in the fourth quarter; and 25.86% to $14.11 million for the full year
- AFFO increased 12.94% to $2.10 million in the fourth quarter; and 22.4% to $7.66 million for the full year
- Total assets increased 27.0% to $258 million year over year
- Debt to gross book value dropped to 58.94% from 61.28% year over year
- Occupancy rate remained stable at 94.7%
- Successful $28.98 million bought deal equity financing
- 6 high-quality commercial properties acquired

Significant Developments During 2016

Market conditions for REITs improved in the third quarter of 2016, enabling PROREIT to announce the acquisition of 11 properties, six of which closed before year-end. The acquisitions were financed in part

(1) Non-IFRS financial measure. See "Non-IFRS and Operational Key Performance Indicators".

by a bought deal equity financing (the "Offering") on October 18, 2016 of 12,880,000 trust units of the REIT at $2.25 per unit, yielding total gross proceeds of $28,980,000. The financing drew the participation of a strong syndicate, and was fully subscribed by retail and institutional investors, including a 15% overallotment option of almost $4 million. The success of this transaction helps confirm the growing stature of PROREIT in both the real estate and financial communities.

Closing of the announced transactions commenced in the fourth quarter, and by year-end six were completed, including four properties in Nova Scotia, one in Prince Edward Island and one in Quebec. These deals extended PROREIT's strategy of acquiring strong properties outside of the largest metropolitan areas.

On November 15, 2016, the REIT completed the acquisition of **5110 St. Margaret's Bay Road,** known as St. Margaret's Square, a 58,907 square foot three building multi-tenant retail property located in the **Halifax, Nova Scotia suburb of Upper Tantallon.** The property is anchored by a Lawton's Drugs on a long-term lease until 2024 with other tenants including Tim Horton's and Credit Union Atlantic. It is shadow anchored by a Canadian Tire. The property has a minimum of 24,500 square feet of additional density possible for future development as well as leasing upside. It is a good example of PROREIT's retail strategy of focusing on retail investments on grocery or drugstore-anchored community shopping centers. The total purchase price of $14.1 million was satisfied with $4.7 million in cash from the Offering, as well as a new $9.4 million, 3.82% 10-year mortgage.

On December 13, 2016, the REIT acquired four retail properties from a vendor for an aggregate purchase price of $21.8 million before closing costs. The four properties add an additional 217,625 square feet of gross leasable area ("GLA") to the REIT's portfolio and include three properties in Nova Scotia, and one property in Prince Edward Island. The acquisition was financed by $16.3 million of new debt, with a 5-year term at an interest rate of 3.16 percent and cash from the Offering. The four properties include:

> **50 Empire Lane, Windsor, Nova Scotia** is also known as Fort Edward Plaza. It is a Sobeys-anchored multi-tenant retail plaza facing Wentworth Road, which is the main retail artery connecting the community of Windsor with Highway 101. The property was built in 1972 and has been maintained in excellent condition, with renovations in 1988, 1991, 1994, 2000 and 2009. It is comprised of 125,393 square feet of GLA on approximately 28 acres of land. Fort Edward Plaza is 100% occupied by Sobeys, Home Hardware, Rossy and Dollarama, amongst others, and has 601 parking stalls. Sobeys occupies the property under a long-term lease until 2026. There is sufficient land available at this property to add at least one retail tenant on a standalone pad.
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> **95 Keltic Drive, Sydney River, Nova Scotia** is a single-tenant grocery store leased entirely to Sobeys on a long-term lease until 2027. The property was built in 1987 with renovations completed in 2005. It is comprised of 50,517 square feet of GLA, on approximately 6 acres of land, with 380 parking stalls. The Nova Scotia Liquor Corporation occupies 12,500 square feet of the building and is a subtenant of Sobeys. The property is immediately next door to a Wal-Mart store, and is subject to a ground lease to 2037 with renewal options until 2062.
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> **25 Brookside Street, Glace Bay, Nova Scotia** is a single tenant grocery store leased entirely to Foodland (Sobeys) on a long-term lease until 2025. It is in the area's primary commercial corridor at the intersection of Brookside Street and Commercial Street. The property, which was built in 1991, is comprised of 17,200 square feet of GLA, on approximately 2 acres of land with 125 parking stalls.

531 Main Street, Montague, Prince Edward Island is a single-tenant grocery store leased entirely to Sobeys on a long-term lease until 2029. The property has good exposure and is well located in the growing community of Montague, PEI. The property was built in 1997, expanded in 1999 and renovated in 2002. It is comprised of 24,515 square feet of GLA, on approximately 2 acres of land with 100 parking stalls.

We also added to our growing footprint in Quebec. On December 7, 2016, the REIT successfully closed a transaction to acquire a mixed-use office and retail building for $7.4 million before closing costs. The property, which is located at **1275 Jules Verne Avenue in L'Ancienne Lorette,** an established, fast-growing suburb of Quebec City, is anchored by strong tenants in both the office and the retail sectors. The total purchase price of the property was financed by $5 million of new debt with an 8-year term, at 3.95 percent, and cash on hand from the Offering.

Growing contribution of development opportunities

In March 2016, PROREIT completed the construction on a new 7,400 square foot development at Hall's Creek in Moncton, New Brunswick, and turned the property over to tenants. The strip mall, which is built on excess land subdivided from another PROREIT property and which is now referred to as "Hall's Creek Plaza," is currently 73% leased, generating approximately $90,000 in NOI on an annualized basis.

2016 Fourth Quarter and Full Year Financial Results

(CAD $ thousands except per unit amounts and unless otherwise stated)	**3 Months Ended December 31 2016**	3 Months Ended December 31 2015	**Year Ended December 31 2016**	Year Ended December 31 2015
Financial data				
Property revenue	**$ 6,081**	$ 5,558	**$ 22,963**	$ 18,190
Net operating income (NOI) (1)	**$ 3,649**	$ 3,371	**$ 14,105**	$ 11,207
Total assets	**$ 257,995**	$ 203,194	**$ 257,995**	$ 203,194
Debt to gross book value (1)	**58.94%**	61.28%	**58.94%**	61.28%
Interest coverage ratio (1)	**2.9x**	2.6x	**2.6x**	2.7x
Debt service coverage ratio (1)	**1.7x**	1.6x	**1.6x**	1.6x
Weighted average interest rate on mortgage debt	**3.70%**	3.71%	**3.70%**	3.71 %
Net cash flows provided from operating activities	**$ 2,091**	$ 1,354	**$ 3,568**	$ 4,465
Funds from Operations (FFO) (1)	**$ 1,901**	$ 1,593	**$ 6,442**	$ 5,460
Basic FFO per unit (1) (2)	**$ 0.0424**	$ 0.0467	**$ 0.1746**	$ 0.1883
Diluted FFO per unit (1) (2)	**$ 0.0415**	$ 0.0458	**$ 0.1703**	$ 0.1870
Adjusted Funds from Operations (AFFO) (1)	**$ 2,104**	$ 1,863	**$ 7,659**	$ 6,258
Basic AFFO per unit (1) (2)	**$ 0.0470**	$ 0.0546	**$ 0.2077**	$ 0.2158
Diluted AFFO per unit (1) (2)	**$ 0.0460**	$ 0.0535	**$ 0.2026**	$ 0.2143
AFFO payout ratio – Basic (1)	**111.8%**	96.1%	**101.1%**	97.3%
AFFO payout ratio – Diluted (1)	**114.2%**	98.1%	**103.7%**	98.0%
Adjusted AFFO payout ratio – Basic (3)	**97%**		**97%**	

(1) Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

(2) FFO and AFFO per unit is calculated as FFO or AFFO, as the case may be, divided by the total of the weighted number of basic or diluted units, added to the weighted average number of Class B LP Units outstanding during the period.

(3) On an adjusted basis, if the 6 property acquisitions and their related AFFO contribution were removed along with the units issued from the Offering, the AFFO payout ratio would be approximately 97% for the three and twelve month period ended December 31, 2016. See "Non-IFRS and Operational Key Performance Indicators".

At December 31, 2016, total assets stood at $258 million, a 27% increase compared to total assets of $203.2 million at December 31, 2015.

Property revenues increased 9.41% to $6.08 million in the fourth quarter, compared to $5.56 million for the fourth-quarter ended December 31, 2015. For the twelve-months ended December 31, 2016, property revenues grew 26.24% to $22.96 million, compared to the same twelve-month period in 2015. For both the fourth quarter and twelve-month periods, increases in property revenues were driven by the inclusion of a full year of revenue from property acquisitions in 2015, by property revenue from the development of a new retail pad at the Hall's Creek Plaza property in Moncton, N.B., and by the inclusion of some early revenue from the six acquisitions that closed in the latter half of the fourth quarter, 2016.

NOI grew 8.25% to $3.65 million in the fourth quarter, compared to $3.37 million for the same quarter in 2015. Growth in NOI for the fourth quarter, compared to the fourth quarter ending December 31, 2015 was due primarily to the addition of NOI from the development of the Hall's Creek Plaza retail pad development in Moncton, N.B. property, along with the inclusion of NOI for the six properties acquired in November and December 2016. This growth was offset in part by a slightly lower occupancy rate. For the twelve-month period ended December 31, 2016, NOI grew 25.86% to $14.11 million, compared to $11.21 million for the twelve months ended December 31, 2015.

AFFO increased 12.94% to $2.10 million in the fourth quarter, compared to $1.86 million for the fourth quarter ended December 31, 2015. At $0.0470 per unit, AFFO per basic unit was marginally lower for the three months ended December 31, 2016, compared to $0.0546 for the same three months in 2015. The decline is tied to the delay between the receipt of funds from the Offering on October 18, 2016, and the investment of those funds in acquisitions on November 15, December 7 and December 13, 2016. For the twelve-month period ended December 31, 2016, AFFO per basic unit decreased to $0.2077 per unit from $0.2158 per unit in the same period last year.

Basic AFFO per unit was $0.0470 for the three month period ended December 31, 2016 with a corresponding basic payout ratio of 111.8%. For the twelve months ended December 31, 2016, the basic AFFO per unit was $0.2077 with a corresponding basic payout ratio of 101.1%.

The AFFO payout ratio exceeds 100% due to the delay between the receipt of the Offering proceeds on October 18, 2016, and the progressive closing of property acquisitions on November 15, December 7 and December 13, 2016. These properties made only a marginal contribution to AFFO during the quarter. On an adjusted basis, if the six property acquisitions and their related AFFO contribution were removed, along with the units issued from the Offering, the AFFO payout ratio in the fourth quarter would be at the REIT's recent run rate of approximately 97%.

Distributions of $0.0175 were declared and paid in each month of the fiscal year. For the full year, PROREIT paid $0.21 on all its trust units and the Class B limited partnership units of its subsidiary PRO REIT Limited Partnership ("Class B LP Units") outstanding.

Balance Sheet Improvements – Debt Reduction

At December 31, 2016, total debt to gross book value stood at 58.94%, compared to 61.28% on December 31 the previous year. This improvement was primarily the result of $7 million from the proceeds of the Offering being used to repay a term loan during the fourth quarter, and an additional $3.2 million used to pay down a credit facility. In addition, during the third quarter, the REIT refinanced four properties with a new $17.8 million 10-year mortgage creating annual interest savings of $180,000 as well as avoiding certain loan extension fees, mitigating interest rate renewal risk on near-term maturities, and extending the debt maturity of the portfolio. The cost of the prepayments was $0.95 million.

A second refinancing was for a $1.8 million second mortgage on an existing asset. Proceeds of the mortgage were used to repay a $1.3 million vendor take back mortgage that was due in September 2016 for an asset purchased in June 2015. The balance of $0.5 million was used for general working capital.

2016 Fourth Quarter and Full Year Operating Results

	December 31 2016	December 31 2015
Operational data		
Number of properties	**39**	32
Gross leasable area (“GLA”) (square feet)	**2,004,604**	1,669,947
Occupancy rate	**94.7%**	95.9%
Weighted average lease term to maturity (years)	**6.4**	6.6

On December 31, 2016, the REIT’s portfolio consisted of 39 properties, compared to 32 at the same date in 2015. Gross leasable area increased 20.01% to 2,004,604 square feet compared to 1,669,947 square feet at December 31, 2015. The increase of 334,657 square feet compared to December 31, 2015 is a result of the completion of the Hall’s Creek Plaza retail pad development in Moncton, N.B., and the acquisition of 6 properties in the fourth quarter of 2016. At December 31, 2016, the occupancy rate stood at 94.7%, compared to 95.9% a year earlier, and compared to 94.2% at September 30, 2016, the end of the previous quarter.

Since the majority of the increase in GLA was added late in the fourth quarter, it is expected that the full impact of the 20% increase in GLA will be felt more comprehensively in the first quarter of fiscal 2017.

The weighted average lease term remained strong at 6.4 years compared to 6.6 years a year earlier.

PROREIT continues to successfully renew leases coming to term and attract new tenants to vacant space. Approximately 45% of the space coming due in 2017 is already leased.

Subsequent Events

On February 28, 2017, the REIT completed the closing of the acquisition of a 50% undivided interest in a property located at 1750 Jean-Berchmans-Michaud Street, Drummondville, Québec for a purchase price of $3.0 million, excluding closing costs. The property is a freestanding single-tenant industrial property built in 1997 and totaling 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 purchase price of $3.0 million was satisfied by the assumption of 50% of a recently completed 4% ten-year mortgage of approximately $4.0 million and the issuance of 383,598 Class B LP Units, at a price of $2.25 per Class B LP Unit.

Outlook

PROREIT continues to focus on finding new accretive acquisitions. In addition to other opportunities in the pipeline, we expect to complete the acquisition this spring of the remaining four properties announced as part of the eleven property transaction last October.

There continues to be substantial opportunity to acquire good quality commercial properties in suburban markets in the Maritimes and in Quebec, not to mention in markets in many of the thriving communities in Ontario. PROREIT's significant network in the commercial real estate business in Canada, along with Management's proven ability to access equity markets to finance acquisitions, are competitive strengths that support the REIT's ongoing access to great real estate opportunities in its focus markets.

Management believes that while interest rates may rise over the course of 2017, much of the potential increase has already been integrated into equity valuations in the REIT sector. Market participants recognize that rising interest rates are indicative of a strong economy, which generally has a positive impact on real estate prices and leasing activity.

Management also continues to pursue internal development opportunities, as discussed above. The REIT's properties in Nova Scotia and New Brunswick provide several opportunities for future development. The Miramichi, N.B. mall has substantial excess land that provides an opportunity to develop two new retail pads. Other significant lease-up and development opportunities exist at the recently acquired properties in Digby, N.S. and in the Halifax suburb of St. Margaret's Bay, N.S. These opportunities are currently being advanced and Management we will keep investors informed of any new development decisions.

Annual Meeting of Shareholders

PROREIT is pleased to invite unitholders to its annual meeting of unitholders, to be held at 11:00 a.m. (Halifax Time) on Wednesday May 31, 2017 in the Atlantic Ballroom at the Westin Nova Scotian Hotel, located at 1181 Hollis Street, Halifax, Nova Scotia.

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 owns a portfolio of diversified commercial real estate properties in Canada, with growth objectives focused on primary and secondary markets in Québec and Atlantic Canada, with selective expansion into Ontario and Western Canada.

Non-IFRS and Operational Key Performance Indicators

PROREIT'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, PROREIT discloses and discusses certain non-IFRS financial measures, including Adjusted Funds From Operations ("AFFO"), Funds From Operations ("FFO"), Net Operating Income ("NOI"), debt to gross book value, interest coverage ratio, debt service coverage ratio, and payout ratios as well as other measures discussed elsewhere in this release. 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 twelve months ended December 31, 2016, available on SEDAR at www.sedar.com.

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 extent to PROREIT's future financial performance, future development opportunities 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.

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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