



PROREIT ACQUIRES \$8.65 MILLION HIGH QUALITY COMMERCIAL MIXED-USE COMPLEX WITH SIGNIFICANT POTENTIAL FOR DEVELOPMENT AND COMPLETES CLOSING OF \$8.2 MILLION HALIFAX PROPERTY

MONTREAL – October 6, 2017 - PRO Real Estate Investment Trust (“**PROREIT**” or the “**REIT**”) (TSXV: PRV.UN) is pleased to report that it has entered into a binding agreement to acquire a two-building high-quality commercial mixed-use complex at 8150-8210 Trans-Canada Highway (the “**complex**”) in Montreal, for a total purchase price of \$8.65 million. The purchase price represents a going-in capitalization rate of 6.3%, with the potential for further increases once the property is fully leased and further developed.

“The property purchases we are announcing today are excellent examples of PROREIT’s strategy to acquire high quality commercial real estate in a proven market that yields both strong current returns and significant development potential,” said James W. Beckerleg, President and Chief Executive Officer. “We are at a transformational stage of our growth. As our asset base grows, we expect to see more and larger opportunities to acquire quality commercial real estate, including properties with upside development potential. We intend to pursue these opportunities vigorously as part of our long-term strategy.”

High quality, two building property with upside potential

The 8150-8210 Trans-Canada Highway commercial mixed-use complex sits on 332,206 square feet (“**sq. ft.**”) of land and is comprised of two buildings containing 125,554 sq. ft. of gross leasable area and a 400 stall, 205,512 sq. ft. parking lot shared by the two buildings. The complex is easily accessible, including by public transport, enjoys high visibility from the Trans-Canada Highway and is a short distance from Pierre Elliott Trudeau International Airport. The complex, which was built in 1969 and renovated in 1994 and 2015, is 67.5% leased. The purchase price, at approximately \$70 per sq. ft., reflects the occupancy level of the properties. The closing of the acquisition of the complex is expected prior to month-end and is subject to customary conditions.

8150 Trans-Canada Highway is the larger of the two buildings, totaling 84,731 sq. ft. of gross leasable area. The building has approximately 78,000 sq. ft. of office space, and 7,000 sq. ft. of warehouse space with 20 foot clearance and two loading docks. The building is fully leased to two high quality tenants, with weighted average remaining lease terms of nine years.

8120 Trans-Canada Highway contains 40,823 sq. ft. of office and warehouse space with four loading docks and 21 feet of clearance. PROREIT expects the building, which is currently vacant, to house a single large tenant. PROREIT believes that demand for this type of space is expanding in the Montreal market.

Development Potential – The land of 332,206 sq. ft. includes a 205,512 sq. ft. parking lot that is adjacent to the two buildings and provides potential for further development. PROREIT intends to exploit fully the opportunities offered by the 8150-8120 Trans-Canada Highway complex.

Financing

The \$8.65 million acquisition is expected to be financed by a \$5.6 million 5-year first mortgage at an anticipated rate of approximately 3.6%. The financing was arranged with a major Canadian financial institution, and includes an option for an additional \$1.0 million in financing subject to further occupancy. The equity portion of the transaction will be settled from cash on hand.

“We continue to work diligently on the opportunities in our pipeline, and we believe strongly that we will announce and close further quality transactions before the end of the calendar year,” concluded Mr. Beckerleg.

Closing of 165 Chain Lake Drive, Halifax

PROREIT also announced that it closed the previously announced \$8.2 million acquisition of 165 Chain Lake Drive, in Halifax. The property is a 44,720 sq. ft. freestanding retail building located on an elevated pad in the Bayers Lake retail power centre, one of the largest destination shopping, dining and entertainment areas in Atlantic Canada. The property houses a single, high-quality national tenant on a long term lease.

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 43 properties with approximately 2.3 million sq. ft. 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. 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 expected timing and completion of the acquisition of the complex and statements pertaining to the execution of PROREIT's growth strategy.

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.

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