



PROREIT ANNOUNCES THE COMPLETION OF ITS \$65.6 MILLION ACQUISITION PROGRAM

- Total GLA more than doubles to 1,044,095 square feet
- Total assets grow to approximately \$140 million
- Significant accretion provided to unitholders

October 20, 2014 - Montréal, Québec - PRO Real Estate Investment Trust (“**PROREIT**” or the “**REIT**”) (TSXV: PRV.UN) is pleased to announce that it has completed the acquisition of the 14 properties that it agreed to acquire further to the closing of its public offering and concurrent private placement of \$26.4 million of new equity (the “**Offering and Concurrent Private Placement**”), on September 30, 2014. The acquisitions are significantly accretive to the REIT’s unitholders.

“With today’s acquisitions, PROREIT has increased its gross leasable area to over a million square feet doubling the size of its business,” said James Beckerleg, President and CEO. “We have now achieved critical mass, and expanded and diversified our net operating income. I am confident that we are well positioned to be a strong, sustainable participant in the Canadian commercial real estate investment trust marketplace.

“Our accretive purchase of these fourteen properties from eight different vendors together with the successful equity and mortgage financing, achieved during challenging market conditions, demonstrates the experience of our team. It has the ability to build and finance a quality portfolio of commercial properties, which will deliver value for all unitholders,” added Mr. Beckerleg.

Diversified Portfolio

The REIT’s portfolio is now comprised of 23 commercial properties totalling 1,044,095 square feet of gross leasable area (“**GLA**”), providing increased exposure to certain of the REIT’s core target markets of Québec and Atlantic Canada, and includes the REIT’s first investment in Alberta. The REIT’s portfolio is diversified by property type and geography across Québec, New Brunswick, Nova Scotia and Alberta and consists of three office properties representing 125,407 square feet of GLA, 12 retail properties representing 432,995 square feet of GLA, five industrial properties representing 261,161 square feet of GLA and three commercial mixed use properties representing 224,532 square feet of GLA.

The properties of the REIT are concentrated in prime locations within their respective markets, along major traffic arteries benefiting from high visibility and easy access. Management believes the quality and diversity of the REIT’s portfolio will enable it to attract new tenants and retain existing tenants, which will provide a strong base on which to generate stable and growing cash flows.

Attractive Financing Terms

“We are also pleased to announce that we were able to take advantage of historically low interest rates to help finance much of the new portfolio,” said Mr. Beckerleg.

The total purchase price for the 14 properties acquired by PROREIT was approximately \$65.6 million (excluding closing and transaction costs) and was financed by:

- Approximately \$4.3 million through the issuance of Class B limited partnership units of PRO REIT Limited Partnership (“**Class B LP Units**”), a subsidiary of the REIT, at a price of \$2.30 per unit, representing the offering price of the REIT’s units issued under the Offering and Concurrent Private Placement;
- A portion of the net proceeds from the Offering and Concurrent Private Placement;
- New first mortgages of approximately \$37.5 million which were signed at a weighted average interest rate of 3.56% and an average term to maturity of 6.7 years; and
- Assumption of a 3.91% mortgage having an outstanding balance of approximately \$8.1 million, maturing in just over four years.

The Class B LP Units are economically equivalent to and exchangeable for trust units of the REIT on a one-for-one basis, and are accompanied by special voting units that provide their holder with equivalent voting rights to holders of trust units. A total of 1,847,826 Class B LP Unit were issued, and each was accompanied by one half of one Class B LP Unit purchase warrant entitling the holder thereof to acquire one Class B LP Unit at an exercise price of \$2.65 per whole Class B LP Unit purchase warrant at any time prior to 5:00 p.m. on March 31, 2017. The Class B LP Units and warrants were issued on a private placement basis, and are subject to a statutory four month hold period.

The result of the acquisitions and new financing is to provide all of the REIT's unitholders with accretion in AFFO (adjusted funds from operations) per unit of over 7%.

For more information on the acquisitions, please refer to the final short form prospectus of the REIT dated September 25, 2014, available under the REIT’s profile on SEDAR at www.sedar.com (the “**Prospectus**”).

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 in Québec, Atlantic Canada and Ontario with selective expansion into Western Canada.

Forward-Looking Statements

This news release may contain 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, which 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 returns on its acquisitions. 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.

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 the Prospectus and in PROREIT's latest annual information form, which are available on SEDAR at 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.

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