



PROREIT ANNOUNCES \$42.7 MILLION OF PROPERTY ACQUISITIONS AND FILING OF A PRELIMINARY SHORT FORM PROSPECTUS

October 23, 2013 - Montréal, Québec - PRO Real Estate Investment Trust ("**PROREIT**" or the "**REIT**") (TSXV: PRV.UN) announced today that it has filed a preliminary prospectus with securities authorities in each of the provinces of Canada (the "**Prospectus**") for a proposed public offering (the "**Offering**") of trust units ("**Units**").

The Offering is being made on an underwritten basis through a syndicate of underwriters led by Canaccord Genuity Corp. and including TD Securities Inc., Scotia Capital Inc., National Bank Financial Inc., Desjardins Securities Inc., GMP Securities L.P., and Dundee Securities Ltd.

James Beckerleg, President & CEO of PROREIT, commented: "We are pleased to be bringing PROREIT back to market. We have an experienced management team, with particular knowledge and expertise in the commercial real estate markets in Eastern Canada, including a wide and established network of relationships in these markets. We believe that there is tremendous potential in commercial real estate in Eastern Canada, and we believe we have the right team and the right platform with which to accretively build a strong and diversified property portfolio, generating both income and growth for our unitholders."

Property Acquisitions and the Initial Portfolio

The REIT has entered into conditional agreements to acquire five commercial properties (collectively, the "**Acquisitions**" and individually, an "**Acquisition**") from five separate and unrelated vendors. The properties being acquired were all part of the acquisition portfolio that PROREIT had assembled in connection with the offering announced in July 2013, which was postponed due to market conditions. Since that time, PROREIT has worked closely with the vendors of these properties, and has amended and extended certain of the acquisition agreements, and has terminated certain others.

Upon closing of the Acquisitions, the REIT's portfolio will be comprised of 9 commercial properties (the "**Initial Portfolio**") totalling 396,872 square feet of gross leasable area ("**GLA**"). The Initial Portfolio will be diversified by property type and geography across Eastern Canada, including the Greater Montréal Area and certain urban centres of Atlantic Canada.

The Initial Portfolio will consist of three office properties representing 125,407 square feet of GLA, five retail properties representing 171,795 square feet of GLA, and one

commercial mixed use property representing 99,670 square feet of GLA. The properties are mostly situated 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 Initial Portfolio will enable the REIT to attract new tenants and retain existing tenants, providing a strong base on which to generate stable and growing cash flows.

The aggregate purchase price (excluding closing costs) for the properties to be acquired under the acquisition agreements is anticipated to be approximately \$42.7 million. The Acquisitions are subject to customary closing conditions, including with respect to financing and regulatory approvals.

The net proceeds from the offering of units are expected to be used by the REIT, along with the issuance of Class B limited partnership units of PRO REIT Limited Partnership to certain property vendors ("**Class B LP Units**"), cash on hand, an assumed mortgage, a new mortgage, and a revolving credit facility to be established, to fund the purchase of the Acquisitions. The REIT also intends to use a portion of the net proceeds to repay existing indebtedness and for general trust and working capital purposes.

The Offering is expected to close in early November 2013 and is subject to usual closing conditions. For more information on the Offering and the Acquisitions, please see the REIT's preliminary short form prospectus.

Issuance of Class B LP Units to Certain Vendors

Vendors of certain of the properties that PROREIT intends to acquire have agreed to accept approximately \$5.6 million of Class B LP Units as partial consideration for the sale of such properties. The Class B LP Units are economically equivalent to and exchangeable for Units on a one-for-one basis, and will be accompanied by special voting units that provide their holder with equivalent voting rights to holders of Units of the REIT. The Class B LP Units will be issued upon the closing of the acquisition of the applicable properties at the price that the Units are offered to the public pursuant to the Offering (the "**Offering Price**"). The Class B LP Units will be issued on a private placement basis, which is subject to regulatory approvals, including the approval of the TSX Venture Exchange. The vendors that will receive Class B LP Units have agreed that such units will be subject to a hold period of 180 days following the closing of the relevant Acquisitions, and are all dealing at arm's length with the REIT.

Immediately following the closing of the Offering and the Acquisitions, members of management, the board of trustees, and certain vendors are expected to hold a 24.7% equity interest in the REIT.

Mr. Beckerleg concluded: "While equity markets have gone through a recent period of uncertainty, I believe investors realize that high quality commercial real estate is a sound investment choice, offering income and growth potential. We are pleased with the steps that have been taken over the last few months to strengthen PROREIT's Offering,

which we believe is demonstrated by the significant support and investment provided by our vendors.”

Experienced Management

PROREIT is managed by President and CEO James W. Beckerleg and CFO Gordon G. Lawlor, accompanied by an experienced senior management team with knowledge and relationships in the REIT’s target markets. Messrs. Beckerleg and Lawlor possess, in aggregate, over 50 years of experience in acquiring, managing and financing Canadian real estate, totaling approximately \$4.2 billion of commercial real estate transactions.

Most recently (from May 2010 until March 2012), the REIT’s management team held senior management positions with CANMARC Real Estate Investment Trust (“**CANMARC**”), a publicly-traded REIT with a nationally diversified portfolio of 115 commercial properties totalling 9.4 million square feet of GLA, including a significant portfolio in Eastern Canada. CANMARC was ultimately acquired by Cominar Real Estate Investment Trust (“**Cominar**”) in March 2012, generating a compounded annualized total return of approximately 43% for CANMARC’s unitholders.

The REIT’s management team has an extensive network of relationships and contacts in the Canadian real estate industry, with particular experience within the REIT’s target markets, which management believes will assist in the REIT’s growth.

A preliminary prospectus containing important information relating to the securities has been filed with securities commissions or similar authorities in each of the provinces of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus are available on SEDAR at www.sedar.com under the REIT’s profile. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

The securities offered have not and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. State securities laws and may not be offered or sold, directly or indirectly, within the United States or its territories or possessions or to or for the account of any U.S. person (as defined in Regulation S under the U.S. Securities Act) other than pursuant to an available exemption from the registration requirements of the U.S. Securities Act. This press release does not constitute an offer to sell or a solicitation of an offer to buy any such securities within the United States, or its territories or possessions, or to or for the account of any U.S. person.

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.

Forward-Looking Statements

This news release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information is 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 information.

Forward-looking information contained in this press release includes, without limitation, statements pertaining to the proposed Offering and the closing of the acquisitions described in the Prospectus. 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 in PROREIT's preliminary prospectus dated October 22, 2013 under "Risk Factors", which is 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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