



PROREIT ANNOUNCES \$40.5 MILLION OF PROPERTY ACQUISITIONS AND PUBLIC OFFERING OF \$17.5 MILLION OF TRUST UNITS

May 19, 2015 - Montréal, Québec - PRO Real Estate Investment Trust (“**PROREIT**” or the “**REIT**”) (TSXV: PRV.UN) is pleased to announce that it has entered into agreements to acquire an aggregate of 7 commercial properties for an aggregate purchase price of \$40.5 million, representing an implied weighted average capitalization rate of 7.5% (collectively, the “**Acquisitions**”).

Highlights of the Acquisitions

- **Enhanced portfolio scale and diversification:** Following the Acquisitions, PROREIT’s portfolio will be comprised of 29 income producing commercial properties representing 1,431,296 square feet of GLA.
- **High quality tenants:** The Acquisitions are anchored by high quality tenants under long term leases. Government and national tenants represent 85.8% of the Acquisitions’ base rent with a weighted average remaining term lease of 7.7 years.
- **Accretive:** The purchase price of \$40.5 million (excluding closing costs) represents an attractive 7.5% going-in capitalization rate. The Acquisitions are expected to be immediately accretive to PROREIT’s AFFO per unit.

“PROREIT continues to deliver on its core business plan of delivering accretive acquisitions of high quality office, retail and industrial properties with strong tenants and long-term leases in place,” said James W. Beckerleg, President and Chief Executive Officer. “With these acquisitions, two of which take us into the Toronto market for the first time, and with our first bought deal, we have stepped across a new threshold. PROREIT is clearly demonstrating that it is capable of delivering significant, high quality growth.”

Property Acquisitions

Pursuant to conditional agreements, the REIT intends to acquire a total of 7 commercial properties. The aggregate purchase price (excluding closing costs) for the Acquisitions is anticipated to be approximately \$40.5 million. The completion of the Acquisitions on the terms proposed will be significantly accretive to the REIT’s unitholders. The purchase price of the Acquisitions will be satisfied by a combination of the following funding sources: i) approximately \$12.5 million in cash; ii) the issuance to the vendors of certain Acquisitions of approximately 0.5 million Class B limited partnership units of PROREIT Limited Partnership (“**Class B LP Units**”), a subsidiary of the REIT, at a price of \$2.30 per Class B LP Unit representing in aggregate approximately \$1.2 million; iii) the assumption of approximately \$6.0 million aggregate principal amount of existing mortgage debt; iv) approximately \$19.5 million aggregate principal amount of new mortgage financing; and v) the issuance of a vendor take-back mortgage in the aggregate amount of approximately \$1.3 million in respect of certain Acquisitions. The Acquisitions are subject to customary closing conditions, including with respect to financing and regulatory approvals.

Overview of the Acquisitions

Property	Location	Asset Class	Year Built / Renovated	GLA	Occupancy	Remaining Lease Term (years)
209 Carrier Drive	Etobicoke, ON	Industrial	1986	196,877	100.0%	8.4
1870 Albion Road	Etobicoke, ON	Industrial	1986	101,277	100.0%	2.2
3528 Principale Street	Tracadie, NB	Retail	1998-1999/2013	20,040	100.0%	12.2
3500 Principale Street	Tracadie, NB	Retail	1998-1999/2009	29,365	100.0%	5.7
139 Douglastown Blvd	Miramichi, NB	Office	2012	28,950	100.0%	7.4
50 Plaza Blvd	Moncton, NB	Retail	2006	25,476	100.0%	6.8
325 Vanier Blvd	Bathurst, NB	Retail	1986	14,750	87.8%	4.0
Total / Weighted Average				416,735	99.6%	7.0

Impact of the Acquisition Properties on PROREIT's Portfolio

Upon closing of the Acquisitions, the REIT's portfolio will be comprised of 29 commercial properties (the "**Portfolio**") totalling 1,431,296 square feet of gross leasable area ("**GLA**"). The Portfolio will be diversified by property type and geography across New Brunswick, Québec, Nova Scotia, Ontario and Alberta. The Portfolio will consist of four office properties representing 154,357 square feet of GLA, 16 retail properties representing 522,626 square feet of GLA, six industrial properties representing 529,781 square feet of GLA and three commercial mixed use properties representing 224,532 square feet of GLA.

Accretion to AFFO per Unit

Immediately following the closing of the Offering and the Acquisitions and the redevelopment of an existing property, management estimates that PROREIT's pro forma annualized AFFO per unit approximates \$0.231 per unit.

The Offering

In connection with the Acquisitions, the REIT announced today that it has entered into an agreement to sell to a syndicate of underwriters led by Canaccord Genuity Corp (collectively, the "**Underwriters**"), on a bought deal basis, 7,625,000 trust units ("**Units**") at a price of \$2.30 per Unit (the "**Offering Price**") for gross proceeds to the REIT of approximately \$17.5 million (the "**Offering**"). The REIT has also granted the Underwriters an over-allotment option to purchase up to an additional 1,143,750 Units on the same terms and conditions, exercisable at any time, in whole or in part, up to 30 days after the closing of the Offering (the "**Over-Allotment Option**"). The REIT intends to use the net proceeds from the Offering to partially fund the Acquisitions, to fund a redevelopment of an existing property, to repay certain indebtedness and for general corporate and working capital purposes. The Offering is expected

to close on or about June 9, 2015 and is subject to customary conditions, including regulatory approval.

Issuance of Equity to Certain Vendors

Vendors of certain of the properties that PROREIT intends to acquire have agreed to accept approximately \$1.2 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 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 Units will be offered by way of a short form prospectus to be filed with the securities commissions and other similar regulatory authorities in each of the provinces of Canada, pursuant to National Instrument 44-101 - Short Form Prospectus Distributions.

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 with selective expansion into Western Canada.

Non-IFRS Measures

The REIT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). AFFO (adjusted funds from operations) per Unit, as well as other measures discussed elsewhere in this news release, do not have a standardized definition prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. The REIT uses non-IFRS measures to better assess the REIT's underlying performance and financial position and provides these additional measures so that investors may do the same. Details on non-IFRS measures are set out in the REIT's Management's Discussion and Analysis for the year ended December 31, 2014 and available on the REIT's profile at www.sedar.com.

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 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 statements.

Forward-looking statements contained in this press release includes, without limitation, statements pertaining to the proposed Offering, the closing of the Acquisitions and the issuance of Class B LP Units. 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 REIT'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 PROREIT's latest annual information form, 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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