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PURE INDUSTRIAL REAL ESTATE TRUST ANNOUNCES CORE ACQUISITIONS AND ACCRETIVE DISPOSITIONS

Vancouver, BC – January 30, 2017: Pure Industrial Real Estate Trust (TSX: AAR.UN) (“the “Trust”) announced today the following strategic initiatives:

- \$52.5 million acquisition of a core asset in Atlanta, Georgia
- \$56.7 million disposition of a partial interest in six assets into a joint venture in Alberta and Ontario
- \$5.2 million disposition of a non-core asset in Alberta
- \$17.3 million disposition of non-core assets in Ontario; and
- \$3.7 million acquisition of expansion land adjacent to an existing asset in San Antonio, Texas.

ATLANTA ACQUISITION

The Trust announced today that it has entered into an unconditional agreement to acquire an 800,000 square foot (“sf”) cross-dock distribution centre located in Atlanta, Georgia (the “Atlanta Acquisition”) for a purchase price of approximately \$52.5 million (US\$39.5 million), representing a going-in capitalization rate of approximately 5.3% and a price per sf of \$65 (US\$49). The Atlanta Acquisition will be financed with existing cash and the Trust’s operating line. The asset is expected to be financed with a new mortgage in the amount of approximately \$25.5 million (US\$19.2 million) with an eight-year term and a fixed interest rate of 3.82% per annum. The Atlanta Acquisition is expected to close in February 2017.

Key highlights of the Atlanta Acquisition include:

- Investment in a modern Class A cross-dock distribution centre in one of the Trust’s target U.S. markets;
- 100% leased to one of the world’s leading logistics providers at below market rent with annual escalations (currently US\$2.56 per sf);
- Increased presence in the Atlanta market. This core asset complements the four Atlanta area properties the Trust acquired in November, 2016;
- Increased scale in the Southeast U.S. Following this acquisition, the Trust will own over 3.9 million sf of modern distribution space across 12 assets in this region; and
- Applying proceeds from the bought deal equity financing that closed on October 13, 2016, the acquisition will be immediately accretive to the Trust’s adjusted funds from operations or “AFFO”.

JOINT VENTURE DISPOSITION IN ALBERTA AND ONTARIO

The Trust announced today that it has entered into a conditional agreement for the sale of a partial interest in six assets to an existing joint-venture partner.

Property Address	Market	Age (years)	GLA (sf)	% Interest sold	% Interest retained by Trust
12155 154th Street NW	Edmonton, AB	43	138,964	75%	25%
15709 - 114th Avenue NW	Edmonton, AB	43	111,500	75%	25%
11415 - 168th Street NW	Edmonton, AB	45	99,268	75%	25%
7303 & 7403 - 30th Street SE	Calgary, AB	42	72,549	75%	25%
802 & 718 McCool Street	Crossfield, AB	31	155,655	50%	50%
199 Traders Boulevard East	Mississauga, ON	21	77,449	75%	25%
Total		38	655,385		

88% of the assets in the portfolio, in terms of gross leasable area ("GLA"), are in Alberta, with the remaining 12% in Ontario, and the weighted average age of the portfolio is 38 years. The Trust is maintaining management of the assets. The transaction includes the pro rata assumption of the debt by the joint venture partner resulting in net proceeds to the Trust of approximately \$56.7 million before closing costs, which is above the original purchase price and the last reported fair market value of the portfolio, and represents an average capitalization rate of approximately 6.5%.

DISPOSITION IN ALBERTA

The Trust today announced that it has sold one asset in Calgary, Alberta (the "Calgary Property").

Property Address	Market	Age (years)	GLA (sf)	Disposition Price (\$000s)	Original Purchase Price (\$000s)	Implied Cap Rate
2808 - 58th Avenue SE	Calgary, AB	36	48,220	5,200	4,800	5.0%

The Calgary Property has 48,220 sf of GLA, is 36 years old, and was sold for approximately \$5.2 million, representing an implied capitalization rate of 5.0% based on current market rents as the property was sold vacant. The property was originally acquired for \$4.8 million.

The sale of the Calgary Property occurred in December, 2016.

DISPOSITIONS IN ONTARIO

The Trust today announced that it has sold one asset in Milton, Ontario (the "Milton Property") and entered into unconditional agreements to sell assets in Vaughan (the "Vaughan Property") and North York, Ontario (the "North York Property," and together with the Vaughan Property and the Milton Property, the "Ontario Properties").

Property Address	Market	Age (years)	GLA (sf)	Disposition Price (\$000s)	Original Purchase Price (\$000s)	Implied Cap Rate
8055 Esquesing Line	Milton, ON	31	30,291	4,450	2,560	4.8%
701 Rowntree Dairy Road	Vaughan, ON	32	17,261	3,435	1,840	3.6%
230 Barmac Drive	North York, ON	40	118,225	9,400	7,275	5.1%
Total		36	165,777	17,285	11,675	4.7%

The Ontario Properties comprise 165,777 sf of GLA, have a weighted average age of 36 years, and will be sold for approximately \$17.3 million, representing an average implied capitalization rate of 4.7%. The Ontario Properties were originally acquired for a total cost of \$11.7 million.

The sale of the Milton Property occurred in December, 2016. The sale of the North York Property and the Vaughan Property are expected to close in Q1-2017 and Q3-2017, respectively.

LAND ACQUISITION IN TEXAS

The Trust today announced that it has entered into a conditional agreement to acquire 16 acres of land adjacent to an existing property in San Antonio, Texas (the “Texas Land Acquisition”) for a purchase price of \$3.7 million (US\$2.8 million). The land provides future development potential for the Trust with forecast yields of approximately 9%. The Texas Land Acquisition is expected to close in Q1-2017.

IMPACT OF TRANSACTIONS

Following the acquisitions and dispositions described herein, the Trust expects the following changes to the portfolio’s market segments based on adjusted net operating income:

Income Producing Properties Pre Transactions		Income Producing Properties Post Transactions	
Ontario	31%	Ontario	31%
Alberta	27%	Alberta	25%
British Columbia	14%	British Columbia	14%
USA	23%	USA	25%
Other	5%	Other	5%

The estimated change in the Trust’s top 10 tenants is as follows:

Top 10 Tenants by Revenue Pre Transactions^{1,2}		Top 10 Tenants by Revenue Post Transactions²	
FedEx	24.3%	FedEx	24.6%
TFI International	5.5%	TFI International	5.5%
ContainerWorld Forwarding Inc	3.6%	ContainerWorld Forwarding Inc	3.6%
Best Buy	2.4%	Best Buy	2.4%
International Paper	2.2%	International Paper	2.3%
HBC	1.8%	Global Logistics Provider	1.8%
Tervita	1.8%	HBC	1.8%
Kuehne + Nagel	1.7%	Tervita	1.8%
Acklands – Grainger	1.7%	Kuehne + Nagel	1.8%
Advance	1.6%	Acklands - Grainger	1.7%
Other	53.4%	Other	52.7%

Committed occupancy, pro-forma Q3-2016 with the inclusion of the Atlanta Acquisition, the dispositions in Alberta and Ontario, and the Texas Land Acquisition, is expected to be approximately 98.2%.

Assuming the successful completion of the transactions described herein, the Trust will have an estimated \$150 million in cash and available lines remaining.

Kevan Gorrie, President and Chief Executive Officer, commented, “Following the successful equity financing in October of last year, we communicated that we would work to reduce our overall exposure to Alberta through a combination of partial interest joint-venture sales and the selective disposition of non-core assets. I’m pleased that today’s announced transactions represent a significant first step towards that goal.

“At the same time, today’s announcement also highlights our strengthened relationship with our joint venture partners. We feel that this is an important part of our strategy, and will look to pursue further strategic joint venture opportunities in the future.

“The net proceeds from our disposition program will be actively redeployed into core assets and selective development opportunities in our target markets, as evidenced by the Atlanta acquisition. The Atlanta asset represents the type of asset we are looking to invest in, and in exactly one of our target markets. Further, we are acquiring a Class A asset on an accretive basis at a price below US\$50 per sf. The capital recycling activity we are announcing today reflects our ongoing commitment to continuously improving the overall quality of the Trust’s portfolio.

“The Trust remains focused on executing its plan to build an industry-leading portfolio of modern distribution properties in key distribution markets in Canada and the U.S.”

ABOUT PURE INDUSTRIAL REAL ESTATE TRUST

The Trust is an unincorporated, open-ended investment trust that owns and operates a diversified portfolio of income-producing industrial properties in leading markets across Canada and key distribution and logistics markets in the United States. The Trust is an internally managed REIT and is one of the largest publicly-traded REITs in Canada that offers investors exposure to industrial real estate assets in Canada and the United States.

Additional information about the Trust is available at www.piret.ca or www.sedar.com.

1 - "Pre Transactions" figures represent Q3-2016 pro forma the Alberta and U.S. acquisitions completed in November, 2016, as outlined in news releases dated October 3, 2016, November 1, 2016 and November 15, 2016.

2 - On December 29, 2016, TFI International announced the acquisition of National Fast Freight from Calyx Transportation Group, Inc and, as a result, information regarding these entities has been aggregated for presentation purposes.

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Non-GAAP Measures:

The Trust prepares and releases unaudited quarterly and audited consolidated annual financial statements prepared in accordance with IFRS (GAAP). In this release, the Trust discloses and discusses certain non-GAAP financial measures, including AFFO, adjusted net operating income and capitalization rate. The non-GAAP measures are further defined and discussed in the MD&A filed on November 11, 2016 on SEDAR, which should be read in conjunction with this release. Since AFFO, adjusted net operating income and capitalization rate are not determined by IFRS, such measures may not be comparable to similar measures reported by other issuers. The Trust has presented such non-GAAP measures as management believes the measure is a relevant measure of the ability of the Trust to earn and distribute cash returns to Unitholders and to evaluate the Trust's performance. These non-GAAP measures should not be construed as alternatives to net income (loss) or cash flow from operating activities determined in accordance with GAAP as an indicator of the Trust's performance. Please refer to "Additional IFRS Measures and Non-IFRS Measures" in the Trust's MD&A.

Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "expect", "may", "will", "intend", "should", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward looking statements in this news release include the following: (i) the Atlanta Acquisition is expected to be financed with a new mortgage in the amount of approximately \$25.9 million (US\$19.2 million) with an eight-year term and a fixed interest rate of 3.82% per annum; (ii) the Atlanta Acquisition is expected to close in February 2017; (iii) the sale of the North York Property and the Vaughan Property are expected to occur in Q1-2017 and Q3-2017, respectively; (iv) the Texas Land Acquisition provides future development potential for the Trust with forecast yields of approximately 9%; (v) the Texas Land Acquisition is expected to close in Q1-2017; (vi) the expected changes to the portfolio's market segments based on adjusted net operating income; (vii) the estimated change in the Trust's top 10 tenants; (viii) committed occupancy, pro-forma Q3-2016 with the inclusion of the Atlanta Acquisition, the dispositions in Alberta and Ontario, and the Texas Land Acquisition, is expected to be approximately 98.2%; and (ix) assuming the

successful completion of the transactions described herein, the Trust will have an estimated \$150 million in cash and available lines.

Although the Trust believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Trust can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, competitive factors in the industries in which the Trust operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Trust.

The forward-looking statements contained in this news release represent the Trust's expectations as of the date hereof, and are subject to change after such date. The Trust disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS RELEASE.