



PURE INDUSTRIAL REAL ESTATE TRUST ANNOUNCES
RELEASE OF Q3-2017 FINANCIAL RESULTS

Vancouver, BC – November 8, 2017: Pure Industrial Real Estate Trust (the “Trust”) (TSX: AAR.UN) is pleased to announce the release of its financial results for the three and nine months ended September 30, 2017.

Q3-2017 Financial Results

The Q3-2017 financial results, consisting of the Trust’s unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2017, and management’s discussion and analysis of results of operations and financial condition (“MD&A”) dated November 8, 2017, are available on SEDAR (www.sedar.com) and the Trust’s website (www.piret.ca). Unless otherwise indicated, all amounts are in thousands of Canadian dollars.

Q3-2017 Highlights

(All metrics have been normalized for IFRIC 21 and assumes all property taxes have been pro-rated and accrued based on the number of days of ownership within the reporting year.)

- As at September 30, 2017, the Trust’s **portfolio** under management consists of 173 income producing properties representing gross leasable area (“GLA”) of 24.2 million square feet (“sf”), an increase from 19.6 million sf as at December 31, 2016. In addition, the Trust’s portfolio consists of 131.6 acres of land held for future development and one property under development, which will add 330,540 sf of GLA to the Trust’s portfolio, upon completion in Q4-2017.
- **Investment properties fair value**, including properties classified as assets held for sale as at September 30, 2017 is \$2,995,062 a \$563,385 increase from December 31, 2016. The increase in investment properties is due primarily to the net acquisition activities during the nine months ended September 30, 2017, aggregate fair value gains across the portfolio and in particular in the Greater Toronto Area, offset by a foreign exchange related decrease due to the U.S. exchange rate decreasing from USD:CAD 1.343 as at December 31, 2016 to USD:CAD 1.248 as at September 30, 2017. In Q3-2017, the Trust recognized an aggregate fair value gain of \$53,276, driven mostly by capitalization rate compression in the Ontario market. Year to date fair value gains recognized on the Trust’s portfolio total \$145,903.
- **Net asset value per unit** increased 8.9% to \$5.99 per unit as at September 30, 2017 from \$5.50 as at December 31, 2016, and 2.9% from \$5.82 as at June 30, 2017, driven by fair value gains in the Trust’s portfolio and the net positive effect of the Trust’s portfolio upgrading initiatives.
- **Debt to Gross Book Value**, as defined in the MD&A, as at September 30, 2017 was 37.5%, a 480 basis point decrease from 42.3% as at December 31, 2016 and a 100 basis point decrease from 38.5% as at June 30, 2017. The decrease to the leverage metric was predominately attributable to the net proceeds received from the August 2017 equity offering and the fair value increases to investment properties recognized due to capitalization rate compression across the Trust’s portfolio. The Trust has set a leverage target of approximately 40% and has achieved this target in 2017.
- **Revenues** for the three months ended September 30, 2017 increased by 20.0% compared to the same period in the prior year. The increase is primarily related to acquisition activity in 2017 and Q4-2016, increasing GLA

from 17.8 million sf as at September 30, 2016 to 24.2 million sf as at September 30, 2017, and same property revenue growth.

- **Adjusted Net Operating Income (“NOI”)**, as defined in the MD&A, for the three months ended September 30, 2017 increased 19.5% to \$39,750 from \$33,250 for the same period in 2016, due to the full quarter impact of the acquisition of fourteen properties during Q4-2016, the acquisition of thirteen income producing properties to date in 2017, and organic growth through an increase in same property occupancy. The increase was partially offset by the disposition of sixteen properties from October 2016 to September 2017; the sale of a 75% interest in five properties into a joint-venture during Q1-2017; and an unfavourable average US dollar exchange rate for the period (US\$1.00: C\$1.2528), compared to the same period in the prior year (US\$1.00: C\$1.3050).
- For the three months ended September 30, 2017, the Trust’s **same property NOI (“SPNOI”)**, as defined in the MD&A, increased by \$525 or 1.8% compared to the same period in prior year, from 16.8 million sf representing 71.5% of the Trust’s overall portfolio. The increase in SPNOI is primarily due to an average occupancy increase of 174,000 sf in Ontario and 139,000 sf in Alberta, offset by 121,000 sf of average occupancy decreases in the USA and a weaker U.S. dollar (average USD:CAD exchange rate of 1.2528 in Q3-2017 versus 1.3050 in Q3-2016). On a constant currency basis, eliminating the impact of the change in the U.S. dollar exchange rate quarter over quarter, the Trust’s SPNOI increased 2.6% for the three months ended September 30, 2017 relative to the same period in the prior year. Excluding the expansion activities completed during 2016 in Ontario, New Jersey and Texas, SPNOI increased by 1.3% in aggregate and 2.1% on a constant currency basis, and for the USA segment specifically, SPNOI increased 1.8% (6.3% increase on a US dollar basis).
- **Funds from Operations (“FFO”)**¹, as defined in the MD&A, for the three months ended September 30, 2017 increased 33.3% over the same period in the prior year and also increased 5.1% when compared to Q2-2017. FFO in the third quarter of 2017 relative to the third quarter of 2016 was positively impacted by SPNOI increases and FFO from net new acquisitions, offset partially by the translation impact of the weaker U.S. dollar on the Trust’s U.S. operations and the Trust’s disposition activity since Q4-2016.
- **FFO per Unit (“FFOPU”)**, as defined in the MD&A, of \$0.10 decreased by 0.4% for the three months ended September 30, 2017 over the same period in the prior year and is 3.5% lower relative to Q2-2017. On a per unit basis, FFOPU was negatively impacted by the temporary dilutive effect of additional units issued from the \$230 million August 2017 equity offering where the proceeds were not yet fully deployed in the quarter.
- **Adjusted Funds from Operations (“AFFO”)**¹, as defined in the MD&A, for the three months ended September 30, 2017 increased 23.7% over the same period in the prior year and increased by 4.2% when compared to Q2-2017. The net increase in AFFO, compared to the prior year, is primarily due to an increase in FFO, offset partially by higher capital expenditures related to leasing activity. AFFO in the third quarter of 2017 relative to the second quarter of 2017 was positively impacted by new acquisitions completed in the quarter and higher NOI offset partially by dispositions.
- **Adjusted Funds from Operations per Unit (“AFFOPU”)**, as defined in the MD&A, of \$0.08 for the three months ended September 30, 2017 decreased by 7.5% over the prior year comparative and decreased 4.4% from Q2-2017 largely due to the temporary dilutive effect of additional units issued from the \$230 million August 2017 equity offering where the proceeds were not yet fully deployed in the quarter.
- **G&A expenses** for the three months ended September 30, 2017 decreased to \$1,223 from \$2,802 compared to the same period in the prior year, representing 2.2% and 6.1% of rental revenues, respectively. The decrease in G&A over the prior year comparative is primarily due to a decrease in non-cash compensation and the incremental severance cost of \$691 recognized in Q3-2016. Included in G&A expense is the non-cash fair value

¹ Definitions for FFO and AFFO have been revised to conform to industry standards prescribed by REALpac effective January 1, 2017 as further described in Section II “Funds from Operations and Adjusted Funds from Operations” in the MD&A.

adjustment relating to the re-measurement of the Trust's unit-based compensation liabilities, totaling a \$330 gain, a decrease of \$877 relative to the three months ended September 30, 2016. The Trust's unit price decreased 7.6% in Q3-2017 in contrast to a price increase of 7.0% in Q3-2016. G&A expenses excluding the fair value component and the incremental severance cost recognized in Q3-2016, represents 2.8% and 3.4% of rental revenues, for the three months ending September 30, 2017 and the same period of the prior year, respectively.

- The **occupancy** of the Trust's portfolio was 97.1% as at September 30, 2017, excluding properties classified as assets held for sale, an increase of 40 basis points from June 30, 2017 and an increase of 180 basis points from September 30, 2016. Including committed leasing, the occupancy is 97.9% as at September 30, 2017, an increase of 40 basis points from June 30, 2017, however remained flat relative to September 30, 2016. The weighted average remaining lease term increased from 5.8 years as at June 30, 2017 and decreased from 6.7 years as at September 30, 2016 to 6.4 years at the end of Q3-2017.
- During the three months ended September 30, 2017, approximately 188,000 sf of **new leases** were signed and 423,000 sf of expiring space was **renewed**, at rents with an average increase of 2.8% relative to the expiring rents. To date, the Trust has renewed and re-leased approximately 78% of the 2.7 million sf of leases which expire in 2017.
- The Trust has successfully secured a new tenant for its 627,000 sf property in Ontario, currently leased to tenant Best Buy, and set to expire February 28, 2018. The new lease will commence on July 1st, 2018 for a 10 year term and is structured to enable the tenant to consolidate multiple locations into one space.

Acquisitions, Dispositions and Financing

- On July 13, 2017, the Trust completed the **acquisition** of a 150,000 sf warehouse located in Scarborough, Ontario for a purchase price of \$16,100 plus standard closing costs and adjustments of \$680, and representing a going-in capitalization rate of 5.6%. The acquisition was funded with cash on hand. Upon closing, the Trust entered into a development agreement to redevelop the site, with a new state-of-the-art 300,000 sf distribution centre for a total estimated cost of \$35,434, including the land and existing warehouse. Construction on the redevelopment is expected to commence in the first quarter of 2018.
- On August 17, 2017, the Trust completed the **acquisition** of a 764,182 sf distribution centre located in Brampton, Ontario for a purchase price of \$101,000 plus transaction and standard closing costs and adjustments of \$2,123, and representing a going-in capitalization rate of 5.0%. The acquisition was funded with cash on hand.
- On August 18, 2017, the Trust completed the **acquisition** of a 471,051 sf distribution centre located in Vaughan, Ontario for a purchase price of \$75,800 plus transaction and standard closing costs and adjustments of \$1,524, and representing a going-in capitalization rate of 4.6%. The acquisition was funded with cash on hand.
- On August 18, 2017, the Trust completed the **acquisition** of 84 acres of land located in the Dallas suburb of Wilmer, Texas for a total purchase price of \$6,705 (US\$ 5,327) plus standard closing costs and adjustments of \$604 (US\$ 480). The acquisition was funded with cash on hand. Upon acquisition, the Trust committed to spend \$2,517 (US\$2,000) on municipal infrastructure improvements of which the Trust will be responsible for \$1,097 (US\$872), while the remainder will be recoverable from the local municipal government upon completion. As of September 30, 2017, \$nil has been incurred to date.
- On August 30, 2017, the Trust completed the **acquisition** of a 190,000 sf industrial asset and an adjacent 4.5 acre parcel of land located in Pickering, Ontario for a combined purchase price of \$23,962 plus transaction and standard closing costs and adjustments of \$510, and representing a going-in capitalization rate of 5.3% for the income-producing property. The acquisition was funded with cash on hand.
- On September 7, 2017, the Trust completed the **acquisition** of a 268,226 distribution centre located in Richmond, British Columbia for a purchase price of \$32,600 plus standard closing costs and adjustments of \$80, and representing a going-capitalization rate of 5.9%. The acquisition was funded with cash on hand.

- In September 2017, the Trust completed the **acquisition** of four industrial assets totaling 463,623 sf, two located in Mississauga, Ontario and two located in Montreal, Quebec, for a total purchase price of \$135,700, plus transaction and standard closing costs and adjustments of \$3,055, and representing a weighted going-in capitalization rate of 5.5%. The acquisition of one of the Montreal assets closed on September 18, 2017, and the remaining three closed on September 29, 2017.
- During the three months ended September 30, 2017, the Trust completed the **disposition** of three properties, two of which were classified as assets held for sale as at December 31, 2016, for gross proceeds of \$14,285, before closing costs, and \$3,035 higher than the aggregate of original purchase prices. The three disposed assets in the third quarter were unencumbered at the time of the sale.
- On August 3, 2017, the Trust completed an **equity offering** for 35,937,500 Class A units priced at \$6.40 per unit, which includes the full over-allotment option for 4,687,500 Class A units, for total gross proceeds of \$230,000.
- On September 29, 2017, the Trust entered into a \$150,000 **unsecured term loan facility** (the “Unsecured Term Loan”) and drew \$125,000. The Trust has the option to draw the remaining \$25,000 within six months, otherwise the option will be cancelled. The Unsecured Term Loan matures on February 28, 2023 and bears interest at levels consistent with entities carrying an investment grade rating and also provides for interest rate declines with improved credit rating levels.

Selected Financial Information

	September 30, 2017	December 31, 2016
Investment properties (\$000s)	\$2,969,419	\$2,320,845
Mortgages payable and other loans (\$000s)	\$1,152,050	\$1,043,491
Weighted average debt term to maturity on mortgages (years)	4.9	5.0
Debt to gross book value ¹	37.5%	42.3%
Debt to EBITDA ¹	7.9	8.3
	September 30, 2017	June 30, 2017
Occupancy, end of period including committed ²	97.9%	97.5%
Occupancy, end of period ²	97.1%	96.7%
Occupancy, average for the three months ended	96.9%	95.1%

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
<i>(\$000s, except per unit basis)</i>				
Revenue	\$55,098	\$45,951	\$163,724	\$134,801
Net operating income ³	\$39,750	\$33,250	\$117,592	\$95,718
Distributions declared per unit	\$0.08	\$0.08	\$0.23	\$0.23
FFO ⁴ per unit (fully diluted)	\$0.10	\$0.10	\$0.30	\$0.30
Payout Ratio ⁵	81.3%	81.0%	78.5%	77.3%
AFFO ⁴ per unit (fully diluted)	\$0.08	\$0.09	\$0.25	\$0.26
Payout Ratio ⁵	99.0%	91.6%	92.9%	91.1%
G&A as a Percent of Revenue	2.2%	6.1%	4.2%	4.7%

¹ Non-IFRS measure and further defined in Section VI "Additional IFRS and Non-IFRS Measures" in the Trust's MD&A.

² Excludes properties classified as assets held for sale.

³ Net operating income has been normalized for IFRIC 21 ("Adjusted NOI") and assumes all property taxes have been pro-rated and accrued based on number of days of ownership within the reporting year.

⁴ FFO and AFFO are widely accepted supplemental measures of financial performance for real estate entities. These measures are not defined under the International Financial Reporting Standards ("IFRS"). Definitions for FFO and AFFO have been revised to conform to industry standards effective January 1, 2017. For a description of these measures and an IFRS to non-IFRS reconciliation, see the Trust's MD&A under "Funds from Operations and Adjusted Funds from Operations" and "Operational and Financial Highlights" and "Non-IFRS Measures". The Trust's MD&A is available on SEDAR at www.sedar.com.

⁵ FFO and AFFO payout ratios are calculated based on the ratio of distribution rate to fully diluted FFO and AFFO per unit.

Conference Call

As previously announced on October 11, 2017, management will host the conference call at 2:00 pm (EST) on Thursday, November 9, 2017, to review the financial results and corporate developments for the quarter ended September 30, 2017.

To participate in this conference call, please dial one of the following numbers approximately 10 minutes prior to the commencement of the call, and ask to join the Pure Industrial Real Estate Trust Conference Call.

Dial in numbers:

Toll free dial in number (from Canada and USA)..... 1-888-390-0546
International or Local Toronto 1-416-764-8688

Conference Call Replay

If you cannot participate on November 9, 2017, a replay of the conference call will be available by dialing one of the following replay numbers. You will be able to dial in and listen to the conference 120 minutes after the meeting end time, and the replay will be available until Thursday, November 16, 2017.

Please enter the Replay ID# 469721, followed by the # key.

Replay toll free dial in number (from Canada and USA) 1-888-390-0541
Replay international or local Toronto 1-416-764-8677

About Pure Industrial Real Estate Trust

Pure Industrial Real Estate 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 and www.sedar.com.

For more information please contact:

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Non-GAAP Measures:

The Trust prepares and releases condensed consolidated interim financial statements prepared in accordance with IFRS (GAAP). In this release, the Trust discloses and discusses certain non-GAAP financial measures, including FFO, FFO per Unit, AFFO, AFFO per Unit, adjusted net operating income (Adjusted NOI), Net Asset Value per Unit, occupancy, Loan to Gross Book Value, and capitalization rate. The non-GAAP measures are further defined and discussed in the MD&A dated November 8, 2017 and filed on SEDAR, which should be read in conjunction with this release. Since FFO, FFO per Unit, AFFO, AFFO per Unit, adjusted net operating income (Adjusted NOI), Net Asset Value per Unit, occupancy, Loan to Gross Book Value, 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 measures are 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 press release may constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "outlook", "believe", "expect", "may", "anticipate", "should", "intend", "estimates" 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. The forward-looking statements contained in this news release are based on certain key expectations and assumptions made by the Trust, including: (i) the accretive acquisition of properties and the anticipated extent of the accretion of any acquisitions, which could be impacted by demand for properties and the effect that demand has on acquisition capitalization rates and changes in the cost of capital; (ii) the maintaining of occupancy levels and rental revenue, which could be impacted by changes in demand for the Trust's properties, tenant bankruptcies, the effects of general economic conditions and supply of competitive locations in proximity to the Trust's locations; (iii) the overall indebtedness levels and the Trust's ability to refinance expiring debt, which could be impacted by the level of acquisition activity and the state of debt markets in general; (iv) The Trust's REIT status, which can be impacted by regulatory changes enacted by governmental authorities; (v) The Trust's cost estimates and expected yields pertaining to development activity which could be impacted by construction cost overruns or delays; (vi) the anticipated distributions and payout ratios, which could be impacted by capital expenditures, results of operations and capital resource allocation decisions; and (vii) the anticipated replacement of expiring tenancies, which could be impacted by the effects of general economic conditions and the supply of competitive locations.

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, the failure to obtain necessary regulatory approvals or satisfy the conditions to closing the property acquisitions, 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 press 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 nor approved the contents of this press release and does not accept responsibility for the adequacy or accuracy of this press release.