Plaza Retail REIT Closes its Purchase of 50% Interest in Previously Announced St. John's, NL Development Project

− Newdevelopment project to add up to 700,000 square feet of retail space to the REIT portfolio upon completion (at 100%), providing increased cash flows –

FREDERICTON, Dec. 11, 2015 /CNW/ - Plaza Retail REIT (PLZ.UN: TSX) ("Plaza" or the "REIT") today announced it has closed its purchase of a 50% interest in approximately 100 acres of land located in St. John's, Newfoundland valued at $21.1 million, with approximately 62% of the purchase price funded by third party financing.

The vendor of the lands, DewCor, and Plaza also entered into a joint venture arrangement at closing to develop the lands into the retail portion of the Galway master planned community which will be known as "The Shoppes at Galway". Located at the corner of Pitts Memorial Highway and Ruth Avenue, the center will consist of more than 700,000 square feet once completed and will be home to some of Canada's top retailers.

The Shoppes at Galway will be built in several phases, with construction of the initial portion of the development anticipated to begin in mid-2016. Phase 1 is expected to consist of approximately 250,000 square feet of retail space.

"We are pleased to have closed our purchase of these lands and to partner with Danny Williams, one of Newfoundland's most successful and respected businessmen," said Michael Zakuta, CEO of Plaza. "The Shoppes at Galway represent a substantial investment by Plaza and promises to significantly alter the retail landscape in St. John's, one of our preferred retail markets in Atlantic Canada. Upon completion, this project will be a landmark site for Plaza and will contribute positively to our cash flows."

About Plaza Retail REIT

Plaza is an open-ended real estate investment trust and is a leading retail property owner and developer, with a focus on Atlantic Canada, Quebec and Ontario. Plaza's current portfolio includes interests in 307 properties totaling approximately 7 million square feet across Canada and additional lands held for development. Plaza's properties include a mix of strip plazas, stand-alone small box retail outlets and enclosed shopping centres, anchored by approximately 91% national tenants.

SOURCE Plaza Retail REIT

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