PURE INDUSTRIAL REAL ESTATE TRUST ANNOUNCES RELEASE OF Q4-2017 AND 2017 ANNUAL FINANCIAL RESULTS

Vancouver, BC – March 6, 2018: Pure Industrial Real Estate Trust (the "Trust") (TSX: AAR.UN) is pleased to announce the release of its financial results for the year ended December 31, 2017.

Q4-2017 Financial Results

The Q4-2017 financial results, consisting of the Trust's audited consolidated financial statements for the year ended December 31, 2017, and management's discussion and analysis of results of operations and financial condition ("MD&A") dated March 6, 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.

Q4-2017 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 December 31, 2017, the Trust's **portfolio** under management consists of 173 income producing properties representing gross leasable area ("GLA") of 25.3 million square feet ("sf"), an increase from 19.6 million sf as at December 31, 2016. As a result of the completion of the development in Richmond, British Columbia, in Q4-2017, 330,299 sf of GLA was added to the Trust's portfolio. The Trust's portfolio also consists of 131.6 acres of land held for future development.

- **Investment properties fair value,** including properties classified as assets held for sale as at December 31, 2017, is $3,129,394, a $697,717 increase from December 31, 2016. The increase in investment properties is due primarily to net acquisition activities during the year ended December 31, 2017 and aggregate fair value gains across the portfolio of $192,864, partially offset by a foreign exchange related decrease due to the U.S. exchange rate decreasing from USD:CAD 1.3427 as at December 31, 2016 to USD:CAD 1.2545 as at December 31, 2017. In Q4-2017, the Trust recognized an aggregate fair value gain of $46,961.

- The **occupancy** of the Trust's portfolio was 95.4% as at December 31, 2017, excluding properties classified as assets held for sale, a decrease of 170 basis points from September 30, 2017 and a decrease of 230 basis points from December 31, 2016, due to the acquisition of a newly constructed and vacant 760,256 sf distribution centre in Q4-2017. Including committed leasing, the occupancy is 95.6% as at December 31, 2017 compared to 98.4% as at December 31, 2016. Normalizing for this vacancy, occupancy as at year ended December 31, 2017 is 98.3%, and including committed leasing, is 98.6%. The weighted average remaining lease term for the Trust's portfolio decreased slightly from 6.4 years to 6.3 years between the years ended December 31, 2016 and 2017.

- **Net asset value per unit** increased 3.3% to $6.19 as at December 31, 2017 from $5.99 as at September 30, 2017, and 12.5% from $5.50 as at December 31, 2016, 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 December 31, 2017 was 37.8%, a 450 basis point decrease from 42.3% as at December 31, 2016. The improvement to the leverage metric is attributable to net proceeds received from equity offerings completed in April and August 2017, the fair value increases to investment properties recognized due to capitalization rate compression, and an increase in NOI across the

Trust's portfolio.

- **Revenues** for the three months ended December 31, 2017 increased by 18.4% compared to the same period in the prior year. The increase is primarily related to the acquisition activity in 2017, contributions from the Richmond, British Columbia development which became income producing during December 2017 and same property revenue growth.

- **Adjusted Net Operating Income ("NOI")**, as defined in the MD&A, for the three months ended December 31, 2017 increased 19.9% to $44,517 from $37,124 for the same period in 2016. Increase in NOI is primarily driven by the full quarter impact of the acquisition of fourteen properties made during Q4-2016; the acquisition of fourteen income producing properties during 2017; contributions from the Richmond, British Columbia which became income producing during December 2017; and organic growth through an increase in same property NOI. The increase was partially offset by the disposition of seventeen properties during 2017; the sale of a 75% interest in five properties as part of a joint-venture during Q1-2017; and an unfavourable average US dollar exchange rate for the period (US$1.00: C$1.2713) compared to the same period in the prior year (US$1.00: C$1.3341).

- For the three months ended December 31, 2017, the Trust's **same property NOI ("SPNOI")**, as defined in the MD&A, increased by $855 or 2.9% compared to the same period in 2016, from 16.4 million sf representing 66.3% of the Trust's overall portfolio. 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 4.0% for the three months ended December 31, 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 2.4% in aggregate and 3.4% on a constant currency basis, and for the USA segment specifically, SPNOI decreased 3.0% (1.8% increase on a US dollar basis).

- **Funds from Operations ("FFO")**[1], as defined in the MD&A, for the three months ended December 31, 2017 increased 23.9% over the same period in the prior year and also increased 9.1% when compared to Q3-2017. FFO in the fourth quarter of 2017 relative to the fourth quarter of 2016 was positively impacted by SPNOI increases and FFO from net new acquisitions, and from the completion of the Richmond, British Columbia development which became income producing in December 2017, 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 during the year.

- **FFO per Unit ("FFOPU")**, as defined in the MD&A, of $0.10 decreased by 1.9% for the three months ended December 31, 2017 over the same period in the prior year and is 4.5% higher relative to Q3-2017. On a per unit basis, FFOPU during the quarter was positively impacted by the deployment of proceeds of the $230 million August 2017 equity offering into acquisitions completed in both Q3 and Q4 of 2017.

- **Adjusted Funds from Operations ("AFFO")**[1], as defined in the MD&A, for the three months ended December 31, 2017 increased 31.8% over the same period in the prior year and increased by 14.4% when compared to Q3-2017. The increase in AFFO, compared to the same period in the prior year, is primarily due to an increase in NOI. AFFO in the fourth quarter of 2017 relative to the third quarter of 2017 was positively impacted by higher SPNOI, the successful acquisition and development activity in the quarter and lower capital expenditures, offset partially by dispositions.

- **Adjusted Funds from Operations per Unit ("AFFOPU")**, as defined in the MD&A, of $0.09 for the three months ended December 31, 2017 increased by 4.4% over the prior year comparative and is 9.6% higher relative to Q3-2017, largely due to the deployment of proceeds of the $230 million August 2017 equity offering.

[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.

- **G&A expenses** for the three months ended December 31, 2017 increased $1,867 or 115% relative to the same period in the prior year, representing 5.7% and 3.1% of rental revenues, respectively. The increase is primarily due to the increase in non-cash compensation and $500 in special transactions costs which relate to the Trust's announced transaction with Blackstone Property Partners (see "Subsequent Events" below). Included in G&A expense for the three months ended December 31, 2017 is the non-cash fair value adjustment relating to the re-measurement of the Trust's unit-based compensation liabilities, totaling $623 expense, an increase of $411 relative to Q4- 2016. G&A expenses excluding the non-cash fair value component of unit-based compensation and the special transaction costs recognized in Q4-2017, represents 3.8% and 2.7% of rental revenues, for the three months ending December 31, 2017 and the same period in the prior year, respectively.
- During the three months ended December 31, 2017, approximately 752,000 sf of **new leases** were signed and 420,000 sf of expiring space was **renewed**, at rents with an average increase of 6.2% relative to the expiring rents. The Trust renewed and re-leased approximately 77% of the 2.7 million sf of leases that expired in 2017.

<u>Acquisitions and Dispositions</u>

- On December 8, 2017, the Trust completed the **acquisition** of a 301,500 sf distribution centre located in Fort Worth, Texas, for a purchase price of $32,150 (US$25,000) plus standard closing costs and adjustments of $96 (US$74), representing a going-in capitalization rate of 4.2% (property was 86% occupied at closing). The acquisition was funded with the Trust's operating line.
- On December 14, 2017, the Trust completed the **acquisition** of a 706,256 sf distribution centre located in McDonough, Georgia, for a purchase price of $46,738 (US$36,500) plus standard closing costs and adjustments of $184 (US$141). The property was fully vacant at closing. The acquisition was funded with the Trust's operating line.
- During the three months ended December 31, 2017, the Trust completed the **disposition** of three assets, none of which were classified as assets held for sale as at December 31, 2016, for gross proceeds of $22,642 before closing costs, and $5,492 higher than the aggregate of original purchase prices. A mortgage relating to one of the disposed properties of $1,686 was repaid. The remaining two disposed assets were unencumbered at the time of sale.

<u>Subsequent events</u>

- On January 9, 2018, the Trust announced that it entered into an arrangement agreement with an affiliate of Blackstone Property Partners ("Blackstone"), pursuant to which Blackstone will acquire all of the outstanding trust units of the Trust ("the Transaction") for $8.10 per unit in cash, resulting in the **privatization of the Trust**. The Transaction is structured as a statutory plan of arrangement under the British Columbia Business Corporations Act. Completion of the Transaction, which is expected to occur in the second quarter of 2018, is subject to customary conditions, including approval of at least 66 2/3% of the votes cast by Unitholders at a special meeting of Unitholders scheduled for March 23, 2018, court approval and regulatory approval (Investment Canada Act). On February 26, 2018, the Commissioner of Competition issued an Advance Ruling Certificate approving the Transaction.
- On January 31, 2018, the Trust completed an **acquisition** of an industrial property, consisting of two buildings, located adjacent to an existing property of the Trust in Edmonton, Alberta for $1,900. The property will be redeveloped to accommodate the expansion and lease extension to a current tenant on the adjacent property. Construction is expected to be substantially complete in Q2-2018 at an estimated cost of $1,500.
- On February 1, 2018, the Trust completed the **acquisition** of a newly-constructed, 287,338 sf property in Montreal, Quebec for gross proceeds of $32,500, representing a going in capitalization rate of 6.8%. The Trust assumed a mortgage in the amount $22,807 with 7.5 years remaining on the term. The annual interest rate is fixed through a swap agreement at 3.48%.
- On February 16, 2018, the Trust completed the **disposition** of an investment property located in Vaughan, Ontario for gross proceeds of $3,608. The property was not classified as held for sale as at December 31, 2017.

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- On February 22, 2018, the Trust completed the **acquisition** of a 12,647 sf building on 38.1 acres of land, and an adjacent 14.2 acres of land located in Acheson, Alberta for $48,000, representing a going in capitalization rate of 6.1%. The Trust assumed two loans totaling $25,507 with 3 years remaining on the terms and with fixed interest rates of 3.47% and 3.75% per annum (weighted average interest rate of 3.53%).

Selected Financial Information

	December 31, 2017	December 31, 2016
Investment properties ($000s)	**$3,108,059**	$2,320,845
Mortgages payable and other loans ($000s)	**$1,211,920**	$1,043,491
Weighted average debt term to maturity on mortgages (years)	**4.7**	5.0
Debt to gross book value[1]	**37.8%**	42.3%
Debt to EBITDA[1]	**8.0**	8.3

	December 31, 2017	September 30, 2017	December 31, 2016
Occupancy, end of period including committed*[2]	**95.6%**	97.9%	98.4%
Occupancy, end of period*[2]	**95.4%**	97.1%	97.7%
Occupancy, average for the three months ended	**96.8%**	96.9%	97.2%
Occupancy, average for the year ended	**96.8%**	-	95.6%

* Includes 760,256 sf vacant space acquired in December 2017 ("King Mill II Acquisition", as defined in the MD&A). Excluding this space, occupancy at the end of the period is 98.3% and committed occupancy is 98.6%.

	Three months ended December 31		**Years ended December 31**	
($000s, except per unit basis)	**2017**	2016	**2017**	2016
Revenue	**$61,761**	$52,142	**$225,485**	$186,943
Net operating income [3]	**$44,517**	$37,124	**$162,109**	$132,842
Distributions declared per unit	**$0.08**	$0.08	**$0.31**	$0.31
FFO[4] per unit (fully diluted)	**$0.10**	$0.10	**$0.40**	$0.41
Payout Ratio[5]	**77.8%**	76.3%	**78.4%**	76.9%
AFFO[4] per unit (fully diluted)	**$0.09**	$0.08	**$0.34**	$0.34
Payout Ratio[5]	**90.4%**	94.3%	**92.2%**	92.0%
G&A as a Percent of Revenue	**5.7%**	3.1%	**4.6%**	4.3%

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.

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.

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Non-GAAP Measures:

The Trust prepares and releases 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 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 March 6, 2018 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 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.

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