

Aug 7, 2018

# True North Commercial Real Estate Investment Trust Continues Deployment of July 2018 Unit Offering with Office Property Acquisition in GTA, Ontario

*61,000 square foot, credit-rated tenant with 11 year lease term*

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TORONTO, August 7, 2018 – True North Commercial Real Estate Investment Trust (TSX: TNT.UN) (the "REIT") is pleased to announce it has agreed to acquire a 61,000 square foot office property located at 80 Whitehall Drive, Markham, Ontario (the "**GTA Property**").

"We are pleased to continue to deploy the proceeds from the July 2018 public unit offering into a property that fits well within the REIT's core strategy, being 100% occupied by credit-rated tenants with long-term leases," said Daniel Drimmer, the REIT's President and Chief Executive Officer. "The property is well-positioned in a sought-after office submarket that continues to experience low vacancy rates, increasing net rents and attractive population growth."

The purchase price for the GTA Property is approximately \$20.35 million, exclusive of closing costs, and is expected to be satisfied by the proceeds from the REIT's July 2018 public unit offering, and first mortgage financing on the property in the amount of approximately \$12.3 million, with an estimated annual interest rate of approximately 3.7% for a 5 year term.

Closing is expected to be on or about August 16, 2018.

### ***GTA Property***

The GTA Property is a suburban office building with 61,000 rentable square feet and 199 parking stalls. The property is located in the heart of Markham's prime "Highway 404 and 407" employment node and provides convenient access to Highways 7, 404 and 407. The property is also in close proximity to vivaNext Bus Rapid Transit (BRT) connections. With an average remaining lease term of 11.0 years, the building is 100% occupied by credit-rated tenants who have made significant investments into the property.

As previously announced, the REIT has also entered into agreements of purchase and sale for the following five potential acquisition properties (the "**Potential Acquisition Properties**"). Key metrics are as follows:

Location	Square Feet	Weighted Average Lease Term  (Years)	Occupancy	% Government/Credit Rated
GTA, ON	122,000	15.0	100%	100% Multi-National

				Corporation
Victoria, BC	27,000	2.5	100%	100% Government
Ottawa, ON	40,000	5.5	100%	100% Government
Ottawa, ON	36,000	2.5	100%	100% Government
Calgary, AB	148,000	5.5	100%	100% Credit Rated

The acquisition of the Potential Acquisition Properties remain subject to, among other things, satisfactory completion of standard due diligence by the REIT.

## About the REIT

The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The REIT currently owns and operates a portfolio of 41 commercial properties consisting of approximately 3.3 million square feet in urban and select strategic secondary markets across Canada. The REIT is focused on growing its portfolio principally through acquisitions across Canada and such other jurisdictions where opportunities exist.

For complete financial statements and management's discussion and analysis for the period, and any other information relating to the REIT, please visit [www.sedar.com](http://www.sedar.com) or the REIT's website at [www.truenorthreit.com](http://www.truenorthreit.com).

## Forward-looking Statements

Certain statements contained in this news release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purposes of assisting the reader in understanding the REIT's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future including the successful completion of the acquisition of the GTA Property and the Potential Acquisition Properties, and the financial performance of the REIT resulting from the acquisition of the GTA Property and the Potential Acquisition Properties, and readers are cautioned such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, performance, achievements, events, prospects or opportunities for the REIT or the real estate industry, outlook and anticipated events or results, and may include statements regarding the acquisition of the GTA Property and the Potential Acquisition Properties, as well as the financial position, business strategy, budgets, projected costs, capital expenditures, financial results, financing rates and costs, taxes, plans and objectives of or involving the REIT. In some cases, forward-looking information can be identified by such terms as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", "schedule" or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements necessarily involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the REIT's control, affect the operations, performance and results of the REIT and its business, and could cause actual results, including those relating to the acquisition of the GTA Property and the Potential Acquisition Properties, to differ materially from current expectations of estimated or anticipated events

or results. These factors include, but are not limited to, risks related to the trust units and risks related to the REIT's AIF for the year ended December 31, 2017, annual MD&A at "Risks and Uncertainties" and the risks discussed in the REIT's materials filed with Canadian securities regulatory authorities from time to time on [www.sedar.com](http://www.sedar.com). The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions, and expected future developments and the financial performance of the REIT resulting from the acquisition of the GTA Property, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the ability of the REIT to complete the acquisition of the GTA Property and secure acceptable mortgage financing, the Canadian economy will remain stable over the next 12 months; inflation will remain relatively low; interest rates will remain stable; conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate; the Canadian capital markets will continue to provide the REIT with access to equity and/or debt at reasonable rates when required; a wholly-owned subsidiary of Starlight Group Property Holdings Inc. will continue its involvement as asset manager of the REIT in accordance with its current asset management agreement; and the risks identified or referenced above, collectively, will not have a material impact on the REIT. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking statements made in this news release are dated and relate only to events or information as of the date of news release. Except as specifically required by applicable law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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