



SMARTREIT[®]

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SmartREIT Announces Closing of Its Acquisition of a 12 Property Portfolio from OneREIT

Toronto, Ontario (October 4, 2017) – Smart Real Estate Investment Trust (“**SmartREIT**”) (TSX: SRU.UN) is pleased to announce the closing of a previously announced transaction to acquire a portfolio of 12 retail properties from OneREIT through the acquisition of OneREIT’s ONR Limited Partnership as part of a plan of arrangement with OneREIT and others (“the **Transaction**”).

The Transaction will add 2.2 million square feet of gross leaseable area to SmartREIT’s existing portfolio, with 10 of the 12 properties located in Ontario. Further, the portfolio includes 11 food stores, inclusive of 6 Walmart Supercentres and a strong mix of national tenants. The portfolio has an average lease term to maturity of 7.2 years and is 93% leased.

As consideration, SmartREIT will issue a total of 2,357,162 SmartREIT units and assume approximately \$325 million in debt. For the OneREIT unitholders electing non-cash consideration, all were satisfied with SmartREIT issuing 833,053 SmartREIT units. In addition, 1,524,109 SmartREIT units have been reserved for issuance to the holders of exchangeable Class B LP units of ONR Limited Partnership. The assumed debt includes obligations under two existing series of OneREIT convertible debentures with an aggregate principal amount of \$76.25 million.

“These assets were specifically selected for their stability and excellent mixed-use development opportunities. Planning has already begun on several of these projects with a view to adding residential, retirement living, office and storage,” said Huw Thomas, CEO of SmartREIT. “We are also very pleased with the overwhelming support evidenced in the OneREIT unitholder voting results, for this highly accretive acquisition, which will add significant value to our bottom line right out of the gate,” added Mr. Thomas.

Additional Portfolio Highlights:

- Portfolio of 11 food stores with a combined weighted average lease term of 12.7 years;
- Costco, Walmart, Canadian Tire, Loblaw Superstore, Metro, Safeway, TJX banners, pharmacy, banks, restaurants, government tenancies, medical and other equally strong covenants make up over 80% of income;
- In excess of 1.5 million square feet of additional residential and commercial density;
- \$2.7 million of additional income to come on-line over the next 12 months based on committed leases.

About SmartREIT

SmartREIT is one of Canada’s largest real estate investment trusts with total assets of approximately \$8.9 billion. It owns and manages 32 million square feet in value-oriented, principally Walmart-anchored retail centres, having the strongest national and regional retailers as well as strong neighbourhood merchants. In addition, SmartREIT is a joint-venture partner in the Premium Outlets locations in Toronto and Montreal with Simon Property Group. SmartREIT is now expanding the breadth of its portfolio to include residential (condominium and rental), office, and self-storage, either on its large urban properties such as the SmartCentres Place in the Vaughan Metropolitan Centre or as an adjunct to its existing shopping centres.

SmartREIT's core vision is to provide a value-oriented shopping experience in all forms to Canadian consumers and to create high quality mixed-use developments in urban settings. With SmartREIT's 2015 acquisition of SmartCentres, SmartREIT has transformed into a fully integrated real estate provider. SmartREIT and SmartCentres have had a long and successful alliance, helping to provide Canadians with value-focused retail shopping centres across the country. SmartREIT is now a fully integrated real estate provider with expertise in planning, development, leasing, operations and construction – all under one roof. For more information on SmartREIT, visit www.smartreit.com.

Forward Looking Statements

Certain statements in this Press Release are “forward-looking statements” that reflect management’s expectations regarding SmartREIT’s future growth, results of operations, performance and business prospects and opportunities. More specifically, certain statements contained in this Press Release, including statements related to the issuance of SmartREIT units, the mixed-use development opportunities of the properties, the acquisition being accretive to SmartREIT, and the acquisition being value additive to SmartREIT, and statements that contain words such as “could”, “expect”, “believe”, “will”, “may” and similar expressions and statements relating to matters that are not historical facts, constitute “forward-looking statements”. These forward-looking statements are presented for the purpose of assisting SmartREIT’s unitholders and financial analysts in understanding SmartREIT’s operating environment and the benefits of the proposed transaction and may not be appropriate for other purposes. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. However, such forward-looking statements involve significant risks and uncertainties, including the risk of the transaction not being completed, those discussed under the heading “Risks and Uncertainties” and elsewhere in the SmartREIT’s Management's Discussion & Analysis for the six months ended June 30, 2017 and under the heading “Risk Factors” in its Annual Information Form for the year ended December 31, 2016. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this Press Release are based on what management believes to be reasonable assumptions, SmartREIT cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. These forward-looking statements are made as at the date of this Press Release and SmartREIT assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

For more information, please contact:

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