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SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES THIRD QUARTER RESULTS FOR 2017

TORONTO, ONTARIO - (November 8, 2017) SmartCentres Real Estate Investment Trust ("SmartCentres" or the "Trust") (TSX: SRU.UN) is pleased to report positive financial and operating results for the third quarter ended September 30, 2017.

Highlights for the three months ended September 30, 2017 include the following:

- Net income and comprehensive income (as per IFRS) for the quarter ended September 30, 2017 was $69.9 million, as compared to $56.7 million for the same quarter last year, representing an increase of $13.2 million or 23.3%.
- The Trust maintained a high level of occupancy at 98.5% (September 30, 2016 – 98.3%). Including executed leases, the occupancy level for the quarter ended September 30, 2017 was 98.6% (September 30, 2016 – 98.5%).
- FFO with one time adjustment increased by $4.3 million or 5.2% to $87.8 million, and by $0.02 or 3.7% to $0.56 on a per Unit basis.
- AFFO with one time adjustment increased by $4.0 million or 5.2% to $81.1 million, and by $0.02 or 4.0% to $0.52 on a per Unit basis.
- Payout ratio to AFFO with one time adjustment for the three months ended September 30, 2017 decreased by 1.7% to 81.7%.
- Same properties' NOI increased by $2.5 million or 2.1% compared to the same quarter last year.
- $15.6 million of Earnouts and Developments including investment in associates were completed and transferred to income properties at an average yield rate of 6.6%.
- On July 7, 2017, the Trust and Penguin announced that they have signed a 13-year (plus two five-year extensions) 48,000 square foot lease transaction with FM Global, one of the world's largest commercial and industrial property insurers, in the KPMG Tower at SmartCentres Place in Vaughan.
- On July 26, 2017, the Trust along with its joint venture partners Penguin and CentreCourt Developments announced that the third 55 storey condominium tower at Transit City was substantially sold out. The guidance on the profitability on the sale of the units in this tower was revised to an estimated return of 20%–25% on costs from the previously announced 15%-20%. This announcement is in addition to the previously announced successful sellout of both the first and second 55 storey Transit City towers.
- On August 9, 2017, the Board of Trustees approved a $0.05 increase in annual distributions to $1.75 per Unit effective October 2017.
- The parking lot expansion at the Toronto Premium Outlets with Simon Properties, which the Trust anticipates will be completed in November 2017 comprising a total of five storeys with approximately 1,800 total parking spaces. Once complete, the Trust expects to commence the 144,000 square foot retail expansion of the Toronto Premium Outlets.

Subsequent to the three months ended September 30, 2017:

- On October 4, 2017, the Trust completed a previously disclosed transaction to acquire a portfolio of 12 retail properties from OneREIT as part of a plan of arrangement with OneREIT and others ("the Arrangement") for approximately $429.0 million.
    - The Arrangement added 2.2 million square feet of gross leasable area to the Trust's existing portfolio, with 10 of the 12 properties located in Ontario. Further, the portfolio includes 11 food stores, inclusive of six Walmart supercentres and a strong mix of national tenants. The portfolio has an average lease term to maturity of 7.2 years and is 93.0% leased.
    - As consideration, the Trust issued a total of 2,357,162 Trust Units and assumed approximately $325.0 million in debt. For the OneREIT unitholders electing non-cash consideration, all were satisfied with the Trust issuing 833,053 Trust Units. In addition, 1,524,104 Trust Units were issued to the holders of exchangeable Class B LP units of ONR Limited Partnership, including 269,990 Class B Units issued to Penguin. The assumed debt included obligations under two existing series of OneREIT convertible debentures with an aggregate principal amount of $76.3 million.
    - The Arrangement resulted in the repayment of a $30.3 million loan receivable plus outstanding accrued interest originally owed to the Trust by OneREIT.
- On October 6, 2017, the Trust announced that it was issuing a notice of redemption to holders of the 5.45% convertible unsecured debentures due June 30, 2018 (the "Debentures"), representing a redemption in full of the $40.0 million aggregate principal amount. The Debentures were assumed by the Trust from OneREIT on October 4, 2017 in connection with the closing of the Arrangement. The Debentures were redeemed on November 6, 2017 for $40.8 million using cash on hand and the Trust's existing revolving line of credit.
- On October 20, 2017, the Trust announced that it changed its name to SmartCentres Real Estate Investment Trust and was to be commonly referred to as SmartCentres. This change is a recognition of the high level of brand awareness of the SmartCentres name and its iconic penguin logo, well known with consumers, tenants and municipalities across the country. The TSX stock symbol will remain the same.

"Our strategy is to deliver stable results from our core retail portfolio while leveraging the resources of our exceptional development team to build a portfolio of growth opportunities for the long term. All of this while maintaining financial flexibility and delivering FFO growth and modest ongoing distribution increases to our Unitholders. The results for the quarter show we are delivering on all of these fronts and I am therefore delighted with our progress and excited about our significant potential," said Huw Thomas, SmartCentres' CEO.

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Key Financial Highlights

Quarterly Comparison to Prior Year

The following table summarizes SmartCentres' key financial highlights for the three months ended September 30 (including the Trust's share of investment in associates):

(in thousands of dollars, except per Unit information)	**Three Months Ended September 30, 2017**	Three Months Ended September 30, 2016	Variance
Rentals from investment properties	**$178,752**	$174,123	$4,629
Net operating income	**$117,867**	$115,138	$2,729
Net income and comprehensive income	**$69,946**	$56,731	$13,215
FFO	**$87,754**	$66,999	$20,755
FFO with one time adjustment	**$87,754**	$83,456	$4,298
AFFO	**$81,115**	$60,675	$20,440
AFFO with one time adjustment	**$81,115**	$77,132	$3,983
ACFO	**$80,620**	$60,279	$20,341
ACFO with one time adjustment	**$80,620**	$76,736	$3,884
Per Unit (fully diluted) Information			
FFO with one time adjustment	**$0.56**	$0.54	$0.02
AFFO with one time adjustment	**$0.52**	$0.50	$0.02
Distributions	**$0.425**	$0.413	$0.012
Payout ratio Information			
Payout ratio (to AFFO with one time adjustment)	**81.7%**	83.4%	(1.7)%
Payout ratio (to ACFO with one time adjustment)	**83.1%**	83.9%	(0.8)%

Year to Date Comparison to Prior Year

The following table summarizes SmartCentres' key financial highlights for the nine months ended September 30 (including the Trust's share of investment in associates):

(in thousands of dollars, except per Unit information)	**Nine Months Ended September 30, 2017**	Nine Months Ended September 30, 2016[(1)]	Variance	(without Target Settlement) Nine Months Ended September 30, 2016	(without Target Settlement) Variance
	(A)	(B)	(A-B)	(C)	(A-C)
Rentals from investment properties	**$544,825**	$541,048	$3,777	$531,348	$13,477
Net operating income	**$352,068**	$356,295	$(4,227)	$346,595	$5,473
Net income and comprehensive income	**$254,015**	$232,246	$21,769	$222,546	$31,469
FFO	**$254,576**	$243,601	$10,975	$233,901	$20,675
FFO with one time adjustment	**$260,421**	$260,058	$363	$250,358	$10,063
AFFO	**$239,513**	$229,469	$10,044	$219,769	$19,744
AFFO with one time adjustment and transactional FFO	**$245,358**	$245,926	$(568)	$236,226	$9,132
ACFO	**$241,017**	$228,355	$12,662	$218,655	$22,362
ACFO with one time adjustment	**$243,738**	$244,812	$(1,074)	$235,112	$8,626
Per Unit (fully diluted) Information					
FFO with one time adjustment and transactional FFO	**$1.66**	$1.67	$(0.01)	$1.61	$0.05
AFFO with one time adjustment and transactional FFO	**$1.56**	$1.58	$(0.02)	$1.52	$0.04
Distributions	**$1.275**	$1.238	$0.04	$1.238	$0.037
Payout ratio Information					
Payout ratio (to AFFO with one time adjustment and transactional FFO)	**81.7%**	78.2%	3.5%	81.6%	0.1%
Payout ratio (to ACFO with one time adjustment)	**82.2%**	78.7%	3.5%	81.9%	0.3%

(1) Includes $9.7 million net settlement proceeds associated with the 2016 Target lease terminations recorded during the nine months ended September 30, 2016.

Operational Highlights

For the three months ended September 30, 2017, NOI increased by $2.7 million or 2.4% compared to the same quarter in 2016. The primary reasons for the increase of $2.7 million pertain to: (i) a $2.0 million increase in net base rent attributed to the growth of the portfolio and (ii) a $0.7 million decrease in property management fees and other non-recoverable costs.

With respect to the recovery ratio both including and excluding prior year adjustments, the Trust recovered 96.4% and 96.4%, respectively, of total recoverable expenses during the three months ended September 30, 2017, compared to 95.9% and 96.3%, respectively, in the same quarter last year.

For the nine months ended September 30, 2017, NOI decreased by $4.2 million or 1.2% compared to the same period in 2016. The primary reasons for the decrease of $4.2 million pertains to the net of (i) an $11.7 million decrease in miscellaneous revenue attributed to lower termination fees received in the current period versus the comparative period which was principally driven by the 2016 Target lease termination fees of $9.7 million, a change, however, that management believes is a reflection of an expected return to stability in the retail landscape; (ii) a $5.5 million increase in net base rent attributed to the growth of the portfolio; (iii) a $2.2 million decrease in property management fees and other non-recoverable costs; and (iv) a $0.2 million decrease in net property operating cost recoveries.

Including prior year adjustments, the Trust's recovery ratio remained consistent for both the nine months ended September 30, 2017 and September 30, 2016. Excluding prior year adjustments, the Trust recovered 96.5% of total recoverable expenses during the nine months ended September 30, 2017, compared to 96.8% in the same quarter last year.

FFO and AFFO Highlights

REALpac, in consultation amongst preparers and users of reporting issuers' financial statements, determined there was diversity in how AFFO should be utilized – some viewing it as an earnings metric, some viewing it as a cash flow measure, and others considering it a hybrid between the two. In order to develop greater consistency within the industry, it was determined that AFFO should be defined as a recurring economic earnings measure. Accordingly, the calculation of the Trust's AFFO and related AFFO payout ratio, including comparative amounts, has changed pursuant to the February 2017 REALpac White Paper on FFO and AFFO to be reported in accordance with the REALpac definitions. As a result, comparison with previously reported AFFO and AFFO payout ratios may be inappropriate, and because of different interpretation and adoption of the new guidance, comparison with other reporting issuers may also not be appropriate.

FFO

For the three months ended September 30, 2017, FFO with one time adjustment increased by $4.3 million or 5.2% to $87.8 million, and by $0.02 or 3.7% to $0.56 on a per Unit basis. The increase in FFO with one time adjustment was primarily due to: (i) a $2.7 million increase in NOI, (ii) a $1.8 million decrease in general and administrative expense, (iii) a $0.4 million decrease in interest expense net of yield maintenance on redemption of unsecured debentures and related write-off of unamortized financing costs, partially offset by (iv) a $0.6 million decrease in interest income attributed to a repayment in 2016 by OneREIT of $10.0 million against a loan receivable, and lower interest rates associated with amended interest rate terms on certain Mezzanine Loans.

For the nine months ended September 30, 2017, FFO with one time adjustment and transactional FFO increased by $0.4 million or 0.1% to $260.4 million, and by $0.01 or 0.6% on a per Unit basis, compared to the same period in 2016. The increase in FFO with one time adjustment and transactional FFO was primarily due to: (i) a $3.1 million increase in transactional FFO not present in the comparative quarter, (ii) a $1.9 million decrease in interest expense net of yield maintenance on redemption of unsecured debentures and related write-off of unamortized financing costs, (iii) a $1.7 million decrease in general and administrative expense, partially offset by (iv) a $4.2 million decrease in NOI (which was principally driven by the Target lease terminations of $9.7 million that were recorded in the comparative period), and (v) a $2.2 million decrease in interest income attributed to a repayment in 2016 by OneREIT of $10.0 million against a loan receivable, and lower interest rates associated with amended interest rate terms on certain Mezzanine Loans.

AFFO

For the three months ended September 30, 2017, AFFO with one time adjustment increased by $4.0 million or 5.2% to $81.1 million, and by $0.02 or 4.0% on a per Unit basis, compared to the same quarter in 2016. This increase of $4.0 million was primarily due to the increase experienced in FFO with one time adjustment of $4.3 million (discussed above), partially offset by a decrease in straight-lining of rents (in connection with adjustments relating to investment in associates) of $0.3 million.

The payout ratio relating to AFFO with one time adjustment for the three months ended September 30, 2017 decreased by 1.7% to 81.7% compared to the same quarter last year, for the reasons noted above.

For the nine months ended September 30, 2017, AFFO with one time adjustment and transactional FFO decreased by $0.6 million or 0.2% to $245.4 million, and by $0.02 or 1.3% on a per Unit basis, compared to the same period in 2016. This decrease of $0.6 million was primarily driven by the result in FFO with one time adjustment and transactional FFO which was an increase of $0.4 million versus the comparative quarter, primarily offset by a $0.8 million decrease in straight-lining of rents in connection with adjustments relating to investment in associates.

The payout ratio relating to AFFO with one time adjustment and transactional FFO for the nine months ended September 30, 2017 increased by 3.5% to 81.7% compared to the same period last year, for the reasons noted above.

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Portfolio Highlights

Portfolio Information

The following table summarizes SmartCentres' portfolio information:

	September 30, 2017	December 31, 2016	Variance
Fair value of real estate portfolio (in millions of dollars)[1]	**$8,467.4**	$8,424.9	$42.5
Weighted average stabilized capitalization rate	**5.82%**	5.84%	(0.02)%
Built gross leasable area (in millions of square feet)	**32.0**	31.9	0.1
Future estimated development area (in millions of square feet)	**3.9**	4.1	(0.2)
Lands under Mezzanine Financing (in millions of square feet)	**0.6**	0.7	(0.1)
Number of retail properties	**143**	143	—
Number of properties under development	**7**	7	—
Number of office properties	**1**	1	—
Number of mixed-use properties	**1**	1	—
Total number of properties owned	**152**	152	—

[1] Includes the Trust's share of investment in associates

Earnouts and Developments Completed on Existing Properties

During the quarter ended September 30, 2017, $15.6 million of Earnouts and Developments (including Developments relating to investment in associates) were completed and transferred to income properties, which represents a decrease of $2.3 million compared to the same quarter in 2016.

	Three Months Ended September 30, 2017			Three Months Ended September 30, 2016		
(in millions of dollars)	**Area (sq. ft.)**	**Investment ($)**	**Annualized Yield (%)**	Area (sq. ft.)	Investment ($)	Annualized Yield (%)
Earnouts	**2,780**	**1.5**	**7.4%**	9,253	4.7	6.0%
Developments	**52,541**	**14.1**	**6.6%**	45,592	13.2	7.0%
Developments – investment in associates	**—**	**—**	**—%**	—	—	—%
	55,321	**15.6**	**6.6%**	54,845	17.9	6.1%

During the nine months ended September 30, 2017, $52.2 million of Earnouts and Developments (including Developments relating to investment in associates) were completed and transferred to income properties, which represents a decrease of $58.9 million compared to the same period in 2016.

	Nine Months Ended September 30, 2017			Nine Months Ended September 30, 2016		
(in millions of dollars)	**Area (sq. ft.)**	**Investment ($)**	**Annualized Yield (%)**	Area (sq. ft.)	Investment ($)	Annualized Yield (%)
Earnouts	**12,355**	**5.5**	**6.5%**	49,820	19.1	6.5%
Developments	**82,617**	**20.9**	**6.3%**	345,471	92.0	6.0%
Developments – investment in associates	**53,737**	**25.8**	**5.3%**	—	—	—%
	148,709	**52.2**	**5.8%**	395,291	111.1	6.1%

Non-GAAP Measures

The non-GAAP measures used in this Press Release, including AFFO, ACFO, FFO, NOI and payout ratio do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures are more fully defined and discussed in the 'Management Discussion and Analysis' ("MD&A") of the Trust for the period ended September 30, 2017, available on SEDAR at www.sedar.com.

Full reports of the financial results of the Trust for the period ended September 30, 2017 are outlined in the audited unaudited interim condensed consolidated financial statements and the related MD&A of the Trust, which are available on SEDAR at www.sedar.com. In addition, supplemental information is available on the Trust's website at www.smartcentres.com.

Conference Call

SmartCentres will hold a conference call on Wednesday, November 8, 2017 at 5:30 p.m. (ET). Participating on the call will be members of SmartCentres' senior management.

Investors are invited to access the call by dialing 1-800-239-9838. You will be required to identify yourself and the organization on whose behalf you are participating. A recording of this call will be made available Wednesday, November 8, 2017 beginning at 8:30 p.m. (ET) through to 8:30 p.m. (ET) on Wednesday, November 15, 2017. To access the recording, please call 1-888-203-1112 and enter the Replay Passcode 2939570#.

About SmartCentres

Including the acquisition of the 12 OneREIT properties, SmartCentres is one of Canada's largest real estate investment trusts with total assets of approximately $9.3 billion. It owns and manages 34 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, SmartCentres is a joint-venture partner in the Premium Outlets locations in Toronto and Montreal with Simon Property Group. SmartCentres is now expanding the breadth of its portfolio to include residential (single-family, condominium and rental), retirement homes, office, and self-storage, either on its large urban properties such as the Vaughan Metropolitan Centre or as an adjunct to its existing shopping centres.

SmartCentres' 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. SmartCentres is a fully integrated real estate provider with expertise in planning, development, leasing, operations and construction - all under one roof. For more information on SmartCentres, visit www.smartcentres.com.

Certain statements in this Press Release are "forward-looking statements" that reflect management's expectations regarding the Trust's future growth, results of operations, performance and business prospects and opportunities as outlined under the headings "Business Overview and Strategic Direction" and "Outlook". More specifically, certain statements contained in this Press Release, including statements related to the Trust's maintenance of productive capacity, estimated future development plans and costs, view of term mortgage renewals including rates and upfinancing amounts, timing of future payments of obligations, intentions to secure additional financing and potential financing sources, and vacancy and leasing assumptions, and statements that contain words such as "could", "should", "can", "anticipate", "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 the Trust's Unitholders and financial analysts in understanding the Trust's operating environment, 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 those discussed under the heading "Risks and Uncertainties" and elsewhere in the Trust's Management's Discussion & Analysis for the period ended September 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, the Trust 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 the Trust assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

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The Toronto Stock Exchange neither approves nor disapproves of the contents of this Press Release.