700 APPLEWOOD CRES. | VAUGHAN, ON. CANADA L4K 5X3
T 905 326 6400 F 905 326 0783

SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES THIRD QUARTER RESULTS FOR 2018

TORONTO, ONTARIO - (November 7, 2018) 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, 2018.

Key business development highlights for the three months ended September 30, 2018 include the following:

- The Board of Trustees approved an increase of $0.05 per Unit (2.9%) in annual distributions to $1.80 per Unit effective October 2018.

- The Trust completed a five-year $80.0 million unsecured credit facility at a very competitive interest rate with a large Canadian financial institution.

- The Trust, together with its partner Penguin, completed a 25-year term $122.0 million secured mortgage for the KPMG Tower at the VMC at a very competitive interest rate with a large Canadian insurance company.

- The Trust completed the redemption of the 5.50% Convertible Debentures for $36.3 million in cash, which included the aggregate principal amount outstanding and accrued interest.

- The Trust and an unrelated party (SmartStop) formed a 50:50 joint venture known as Oshawa South Self Storage Limited Partnership ("Oshawa South Self Storage LP"), into which the Trust contributed development lands located in Oshawa, Ontario, previously presented as property under development and SmartStop contributed land and cash. The purpose of the joint venture is to own, develop and operate a self storage rental facility in Oshawa.

Financial and operational highlights for the three months ended September 30, 2018 include the following:

- Net income and comprehensive income was $96.2 million, as compared to $69.9 million for the same quarter last year, representing an increase of $26.3 million or 37.5%[(1)]

- Net rental income and other was $126.6 million, as compared to $116.8 million for the same quarter last year, representing an increase of $9.8 million or 8.4%.[(1)]

- Committed occupancy rate and in-place occupancy rate were 98.2% and 98.1%, respectively, compared to the same quarter last year of 98.6% and 98.5%, respectively.

- Cash flows provided by operating activities were $74.7 million, as compared to $85.0 million for the same quarter last year, representing a decrease of $10.3 million or 12.1%.[(1)]

- Net income excluding loss on disposition and fair value adjustments was $89.0 million, as compared to $83.3 million over the same quarter last year, representing an increase of $5.7 million or 6.8%.[(2)]

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. See "Presentation of Non-GAAP Measures" in the MD&A.

- FFO increased by $6.0 million or 6.8% to $93.7 million and by $0.02 or 3.6% to $0.58 on a per Unit basis (see "Other Measures of Performance" in the MD&A for details).(2)

- ACFO increased by $6.7 million or 8.3% to $87.3 million compared to the same quarter in 2017 (see "Other Measures of Performance" in the MD&A for details).(2)

- Payout ratio to ACFO decreased by 1.9% to 81.2% compared to the same quarter of 2017 (see "Other Measures of Performance" in the MD&A for details).(2)

- ACFO exceeded both distributions declared and distributions paid by $16.4 million and $30.9 million, respectively (see "Other Measures of Performance" in the MD&A for details).(2)

- Same properties' NOI increased by $0.7 million or 0.6% compared to the same quarter of 2017.(2)

- The weighted average stabilized capitalization rate for the Trust's investment property portfolio was 5.94% (December 31, 2017 – 5.95%). For those income properties valued using the direct income capitalization method, the weighted average stabilized capitalization rate was 5.83% (December 31, 2017 – 5.85%).

- The Trust's unencumbered pool of high-quality assets increased by $1.2 billion or 40.9% to $4.1 billion compared to the same quarter in 2017.

Subsequent to Quarter End:

- In October 2018, the Trust completed a term mortgage with three tranches totalling $95.0 million, secured by a specific income property. The mortgage bears interest at rates that range from 3.58% to 3.86% and matures in stages between 2021 to 2025, and was provided by a large Canadian insurance company.

"Our strong retail portfolio continues to provide stable operating results while our exciting development and intensification initiatives evolve so as to provide net income and FFO growth in the future," said Peter Forde, President & CEO. "We continue to conduct a thorough analysis of every one of our centres and expect to identify a growing number of opportunities in residential, seniors' residences, self-storage, office, hotel and medical. Every one of these opportunities is on sites we already own - no need to be purchasing expensive land in these growing markets. And we are unique in that we are introducing these initiatives across a diverse set of businesses," added Mr. Forde.

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. See "Presentation of Non-GAAP Measures".

SMARTCENTRES®

Selected Consolidated Financial and Operational Information:

The consolidated financial and operational information shown in the table below includes the Trust's share of equity accounted investments, (see the "Equity Accounted Investments" section of the Trust's management discussion and analysis (MD&A) for details), and represents key financial and operational information for the three months ended September 30, 2018, December 31, 2017 and September 30, 2017. With the exception of net income and comprehensive income, cash flows provided by operating activities, total assets, and equity, all other items represent non-GAAP financial measures.

(in thousands of dollars, except per Unit and other non-financial data)	**September 30, 2018**	December 31, 2017	September 30, 2017
Consolidated Financial and Operational Information			
Rentals from investment properties and other[1]	**194,135**	197,465	180,294
Net income and comprehensive income[1]	**96,155**	101,911	69,946
Cash flows provided by operating activities[1]	**74,656**	137,492	84,967
Net income and comprehensive income excluding loss on disposition and fair value adjustments[2]	**88,954**	99,108	83,282
Number of retail and other properties	**152**	154	143
Number of properties under development	**7**	7	7
Number of office properties	**1**	1	1
Number of mixed-use properties	**4**	1	1
Total number of properties with an ownership interest	**164**	163	152
Gross leasable area (in thousands of sq. ft.)	**34,268**	34,157	31,952
Future estimated development area (in thousands of sq. ft.)	**3,965**	4,038	3,916
Lands under Mezzanine Financing (in thousands of sq. ft.)	**615**	614	614
Committed occupancy rate	**98.2%**	98.3%	98.6%
In-place occupancy rate	**98.1%**	98.2%	98.5%
Average lease term to maturity	**5.5 years**	5.8 years	5.8 years
Net rental rate (per occupied sq. ft.)	**$15.29**	$15.28	$15.29
Net rental rate excluding Anchors (per occupied sq. ft.)	**$21.63**	$21.61	$21.88
Financial Information			
Investment properties[2][3]	**9,090,418**	8,952,467	8,467,441
Total assets[1]	**9,427,341**	9,380,232	8,839,166
Total unencumbered assets[2]	**4,116,100**	3,387,000	2,921,700
Debt[2][3]	**4,256,252**	4,318,330	3,889,763
Debt to Aggregate Assets[2][3]	**44.3%**	45.4%	43.7%
Debt to Gross Book Value[2][3]	**51.5%**	52.3%	51.1%
Interest Coverage[2][3]	**3.1X**	3.1X	3.2X
Debt to Adjusted EBITDA[2][3]	**8.4X**	8.4X	8.3X
Equity (book value)[1]	**4,963,286**	4,827,457	4,756,169

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and accordingly may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to the "Presentation of Non-GAAP Measures" section in the MD&A.
(3) Includes the Trust's share of equity accounted investments.

SMARTCENTRES®

Key Financial Highlights

Quarterly Comparison to Prior Year

The following table represents key financial, per Unit, and payout ratio information for the three months ended September 30, 2018 and September 30, 2017.

(in thousands of dollars, except per Unit information)	**Three Months Ended September 30, 2018**	Three Months Ended September 30, 2017	Variance
Financial Information			
Rentals from investment properties and other(1)	**194,135**	180,294	13,841
Net income and comprehensive income(1)	**96,155**	69,946	26,209
Net income and comprehensive income excluding loss on disposition and fair value adjustments(2)	**88,954**	83,282	5,672
NOI(2)(3)	**128,761**	117,867	10,894
FFO(2)(3)(4)	**93,722**	87,754	5,968
ACFO(2)(3)(4)(5)	**87,288**	80,620	6,668
Distributions declared	**70,889**	67,018	3,871
Surplus of ACFO with one time adjustment over distributions declared(2)	**16,399**	13,602	2,797
Surplus of ACFO with one time adjustment over distributions paid(2)	**30,935**	26,753	4,182
Units outstanding(6)	**161,222,910**	156,897,892	4,325,018
Weighted average – basic	**160,950,811**	156,681,702	4,269,109
Weighted average – diluted(7)	**161,810,678**	157,367,314	4,443,364
Per Unit Information (Basic/Diluted)			
Net income and comprehensive income	**$0.60/$0.59**	$0.45/$0.44	$0.15/$0.15
Net income and comprehensive income excluding loss on disposition and fair value adjustments	**$0.55/$0.55**	$0.53/$0.53	$0.02/$0.02
FFO(2)(3)(4)	**$0.58/$0.58**	$0.56/$0.56	$0.02/$0.02
Distributions declared	**$0.437**	$0.425	$0.012
Payout ratio Information			
Payout ratio to ACFO(2)(3)(4)(5)	**81.2%**	83.1%	(1.9)%

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and accordingly may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to the "Presentation of Non-GAAP Measures" section in the MD&A.
(3) Includes the Trust's share of equity accounted investments.
(4) See "Other Measures of Performance" for a reconciliation of these measures to the nearest consolidated financial statement measure.
(5) The calculation of the Trust's ACFO and related ACFO payout ratio, including comparative amounts, is a new financial metric pursuant to the February 2018 REALpac White Paper on ACFO. Comparison with other reporting issuers may not be appropriate. Payout ratio is calculated as declared distributions divided by ACFO.
(6) Total Units outstanding include Trust Units and LP Units, including Units classified as liabilities. LP Units classified as equity in the consolidated financial statements are presented as non-controlling interests.
(7) The diluted weighted average includes the vested portion of the deferred unit plan.

Year-to-Date Comparison to Prior Year

The following table represents key financial, per Unit, and payout ratio information for the nine months ended September 30, 2018 and September 30, 2017.

(in thousands of dollars, except per Unit information)	**Nine Months Ended September 30, 2018**	Nine Months Ended September 30, 2017	Variance
Financial Information			
Rentals from investment properties and other(1)	**590,129**	549,782	40,347
Net income and comprehensive income(1)	**300,369**	254,015	46,354
Net income and comprehensive income excluding loss on disposition and fair value adjustments(2)	**266,811**	240,141	26,670
NOI(2)(3)	**378,308**	352,068	26,240
FFO(2)(3)(4)	**274,045**	254,576	19,469
FFO with one time adjustment and before transactional FFO(2)(3)(4)	**275,547**	257,297	18,250
FFO with one time adjustment and transactional FFO(2)(3)(4)	**278,511**	260,421	18,090
ACFO(2)(3)(4)(5)	**257,451**	241,017	16,434
ACFO with one time adjustment(2)(3)(4)(5)	**257,451**	243,738	13,713
Distributions declared	**211,931**	200,474	11,457
Surplus of ACFO with one time adjustment over distributions declared(2)	**45,520**	43,264	2,256
Surplus of ACFO with one time adjustment over distributions paid(2)	**87,346**	80,964	6,382
Units outstanding(6)	**161,222,910**	156,897,892	4,325,018
Weighted average – basic	**160,440,348**	156,276,514	4,163,834
Weighted average – diluted(7)	**161,231,616**	156,931,391	4,300,225
Per Unit Information (Basic/Diluted)			
Net income and comprehensive income	**$1.87/$1.86**	$1.63/$1.62	$0.24/$0.24
Net income and comprehensive income excluding loss on disposition and fair value adjustments	**$1.66/$1.65**	$1.54/$1.53	$0.12/$0.12
FFO(2)(3)(4)	**$1.71/$1.70**	$1.63/$1.62	$0.08/$0.08
FFO with one time adjustment and before transactional FFO(2)(3)(4)	**$1.72/$1.71**	$1.65/$1.64	$0.07/$0.07
FFO with one time adjustment and transactional FFO(2)(3)(4)	**$1.74/$1.73**	$1.67/$1.66	$0.07/$0.07
Distributions declared	**$1.312**	$1.275	$0.037
Payout ratio Information			
Payout ratio to ACFO(2)(3)(4)(5)	**82.3%**	83.2%	(0.9)%
Payout ratio to ACFO with one time adjustment(2)(3)(4)(5)	**82.3%**	82.2%	0.1 %

(1) Represents a GAAP measure.

(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and accordingly may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to the "Presentation of Non-GAAP Measures" section in the MD&A.

(3) Includes the Trust's share of equity accounted investments.

(4) See "Other Measures of Performance" for a reconciliation of these measures to the nearest consolidated financial statement measure.

(5) The calculation of the Trust's ACFO and related ACFO payout ratio, including comparative amounts, is a new financial metric pursuant to the February 2018 REALpac White Paper on ACFO. Comparison with other reporting issuers may not be appropriate. Payout ratio is calculated as declared distributions divided by ACFO.

(6) Total Units outstanding include Trust Units and LP Units, including Units classified as liabilities. LP Units classified as equity in the consolidated financial statements are presented as non-controlling interests.

(7) The diluted weighted average includes the vested portion of the deferred unit plan.

Operational Highlights

For the three months ended September 30, 2018, net income and comprehensive income increased by $26.2 million or 37.5% compared to the same quarter in 2017, which was primarily attributed to the following:

- fair value adjustments on revaluation of investment properties increased by $24.9 million which includes: (i) a fair value increase of $10.0 million for the expansion of Toronto Premium Outlets; (ii) a fair value increase of $12.7 million for the premium outlets due to increases in step rents; and (iii) a net fair value increase of $2.2 million principally due to changes in lease, NOI and other assumptions relating to the Trust's portfolio;
- an $8.9 million increase in rental income due to the growth of the portfolio, of which: (i) a $7.8 million increase is attributable to both the properties acquired pursuant to those properties acquired as part of the OneREIT acquisition in 2017 (the "Arrangement"), and other Earnouts and Developments; (ii) a $0.6 million increase in miscellaneous rental income; and (iii) a $0.5 million increase in revenue generated from the recovery of capital expenditures; and
- a $2.9 million increase in non-recurring lease termination fees.

Offset by the following:

- a $3.4 million decrease in the fair value adjustment on financial instruments principally due to the fluctuation in the Trust's unit price as compared to the same quarter in 2017 (as financial instruments are fair valued at the balance sheet date);
- a $3.3 million increase in net interest expense principally due to the debt assumed as part of the Arrangement;
- a $2.2 million increase in general and administrative expense that can be attributed primarily to: (i) a $1.2 million increase in salary and related costs; (ii) a $0.4 million increase in public company costs; and (iii) a $0.6 million increase in legal and professional fees;
- a $0.9 million increase including: (i) a $0.6 million increase in bad debt expense, which was predominantly due to a $0.3 million net reversal of bad debt expense in the comparative quarter; and (ii) a $0.3 million increase other non-recoverable operating costs; and
- a $0.7 million increase in loss on sale of investment properties.

With respect to the total recovery ratio (including the Trust's share of equity accounted investments), both including and excluding prior year adjustments, the Trust recovered 97.1% and 97.1%, respectively, of total recoverable expenses during the three months ended September 30, 2018, compared to 96.4% and 96.1%, respectively, in the same quarter in 2017.

For the nine months ended September 30, 2018, net income and comprehensive income increased by $46.4 million or 18.2% compared to the same period in 2017, which was primarily attributed to:

- a $23.4 million increase in the fair value adjustment on revaluation of investment properties principally due to: (i) a fair value increase of $10.0 million for the expansion of Toronto Premium Outlets; (ii) a fair value increase of $12.7 million for the premium outlets due to increases in step rents and (iii) a net fair value increase of $2.2 million principally due to changes in lease, NOI and other assumptions relating to the Trust's portfolio;
- a $24.1 million increase in rental income due to the growth of the portfolio, of which: (i) a $23.4 million increase is attributable to the properties acquired pursuant to the Arrangement and other earnouts and developments and (ii) a $0.7 million increase in CAM cost recoveries;
- a $9.4 million increase in earnings from equity accounted investments, primarily due to both an increase in the fair value adjustment on investment properties and an increase in rental revenues from an investment property (Creekside Crossing) acquired pursuant to the Arrangement; and
- a $2.8 million increase in non-recurring lease termination fees.

Offset by the following:

- a $3.1 million decrease in the fair value adjustment on financial instruments principally due to the fluctuation in the Trust's Unit price as compared to the same quarter in 2017 (as financial instruments are fair valued at the balance sheet date);
- a $5.4 million increase in net interest expense principally due to the debt assumed as part of the Arrangement;
- a $1.2 million increase in general and administrative expense that can be attributed primarily to increases in legal and professional fees;

- a $2.5 million increase including: (i) a $1.8 million increase in bad debt expense, which was predominantly due to a $0.8 million net reversal of bad debt expense in the comparative period, and (ii) a $0.7 million increase in other non-recoverable operating costs; and
- a $1.1 million increase in management fees.

With respect to the total recovery ratio (including the Trust's share of equity accounted investments), both including and excluding prior year adjustments, the Trust recovered 97.2% and 96.9%, respectively, of total recoverable expenses during the nine months ended September 30, 2018, compared to 96.6% and 96.5%, respectively, in the same period last year.

FFO Highlights

For the three months ended September 30, 2018, FFO increased by $6.0 million or 6.8% to $93.7 million, and by $0.02 or 3.6% to $0.58 on a per Unit basis, which was primarily due to a $10.9 million increase in NOI partially offset by the following:

- a $3.3 million increase in net interest expense principally associated with interest on debt assumed as part of the Arrangement; and
- a $1.6 million increase in general and administrative expense, net of the increase in salaries and related costs attributed to leasing activities and others of $0.2 million (which is adjusted in the calculation of FFO).

For the nine months ended September 30, 2018, FFO with one time adjustment and Transactional FFO increased by $18.1 million or 6.9% to $278.5 million, and by $0.07 or 4.2% to $1.73 on a per Unit basis, which was primarily due to a $26.2 million increase in NOI, as a result of increases in rentals from investment properties pursuant to the Arrangement partially offset by the following:

- a $5.9 million increase in net interest expense, net of both the increase in distributions on Units classified as liabilities and vested deferred units recorded as interest expense of $2.2 million, and, the decrease in yield maintenance on redemption of unsecured debentures and related write-off of unamortized financing costs of $2.7 million; and
- a $0.3 million increase in general and administrative expense, net of both the decrease in salaries and related costs attributed to leasing activities of $0.6 million (which is adjusted in the calculation of FFO), and, the increase in CEO transition costs of $1.5 million.

ACFO Highlights

For the three months ended September 30, 2018, ACFO increased by $6.7 million or 8.3% to $87.3 million compared to the same quarter in 2017, which was primarily due to the following:

- a $17.9 million increase in adjustments to working capital items that are not indicative of sustainable cash available for distribution;

Offset by the following:

- a $10.3 million decrease in cash flows provided by operating activities

The payout ratio relating to ACFO with one time adjustment for the three months ended September 30, 2018 decreased by 1.9% to 81.2% compared to the same quarter last year, primarily due to the reasons noted above.

For the nine months ended September 30, 2018, ACFO with one time adjustment increased by $13.7 million to $257.5 million compared to the same period in 2017, which was primarily due to the following:

- a $10.9 million increase in adjustments to working capital items that are not indicative of sustainable cash available for distribution; and
- a $4.2 million increase in cash flows provided by operating activities;

Partially offset by the following:

- a $1.2 million increase in actual sustaining tenant improvements.

The payout ratio relating to ACFO with one time adjustment for the nine months ended September 30, 2018 decreased by 0.1% to 82.3% compared to the same period last year, primarily due to the reasons noted above.

Non-GAAP Measures

The non-GAAP measures used in this Press Release, including FFO, Transactional FFO, ACFO, NOI, Same Property NOI, average yield rates, 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 three and nine months ended September 30, 2018, available on SEDAR at www.sedar.com.

Full reports of the financial results of the Trust for the three months ended September 30, 2018 are outlined in the 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 7, 2018 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 1-800-949-2175. 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 7, 2018 beginning at 8:30 p.m. (ET) through to 8:30 p.m. (ET) on Wednesday, November 14, 2018. To access the recording, please call 1-888-203-1112 and enter the Replay Passcode 5255509#.

About SmartCentres

SmartCentres is one of Canada's largest real estate investment trusts with total assets of approximately $9.4 billion. It owns and manages 34 million square feet of retail space in value-oriented, principally Walmart-anchored retail centres, having the strongest national and regional retailers as well as strong neighbourhood merchants. The retail centres continue to experience industry-leading occupancy levels of 98%. In addition, SmartCentres is a joint venture partner in the Premium Outlets locations in Toronto and Montreal with Simon Property Group.

SmartCentres is 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 well-located existing shopping centres. 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 further outlined under the headings "Business Overview and Strategic Direction", "Other Measures of Performance" and "Outlook" in the Trust's Management's Discussion & Analysis for the three and nine months ended September 30, 2018 . 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 three and nine months ended September 30, 2018 and under the heading "Risk Factors" in its Annual Information Form for the year ended December 31, 2017. 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.*

For more information, please contact:

Peter Forde
President & Chief Executive Officer
SmartCentres
(905) 326-6400 ext. 7615
pforde@smartcentres.com

Peter Sweeney
Chief Financial Officer
SmartCentres
(905) 326-6400 ext. 7865
psweeney@smartcentres.com

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