SMARTCENTRES
REAL ESTATE INVESTMENT TRUST

3200 HIGHWAY 7 • VAUGHAN, ON • L4K 5Z5
T 905 326 6400 • F 905 326 0783

SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES FOURTH QUARTER AND YEAR END RESULTS FOR 2019

Focused on Growth of Both NAV and FFO

- **Continued steady growth of FFO and poised for substantial FFO growth in 2020**
- **Mixed Use Intensification Program Continues with Additional High Rise Residential, Retirement Homes and Self-Storage Projects**
- **Industry Leading Committed occupancy rate improves to 98.2%**
- **Credit rating upgraded to BBB(H)**
- **Construction of Transit City Condo Towers continues**

TORONTO, ONTARIO - (February 12, 2020) SmartCentres Real Estate Investment Trust ("SmartCentres" or the "Trust") (TSX: SRU.UN) is pleased to report its financial and operating results for the fourth quarter and year ended December 31, 2019.

“Our unitholders benefit from 3 major competitive advantages” said Peter Forde, President and CEO. “First, our national portfolio of Walmart-anchored shopping centres continues to perform well with 98.2% committed occupancy, including our Toronto and Montreal Premium Outlets experiencing industry leading sales per square foot, and our net rental income increased and will continue to provide stable and reliable financial performance. Second, the number of mixed-use development initiatives being built primarily on our national land base is growing and has reached a new high of 256 development projects, representing 27.9 million square feet, 34 of these are underway, representing 6.0 million square feet, and the initial projects will contribute to a significant increase in income and FFO in 2020. Lastly, SmartVMC in Vaughan, Ontario has demonstrated our ability to develop a masterplanned city centre, complete with offices, residential buildings, retirement homes, retail, and more, plus excellent mass transit, and we are now planning similar urban communities in other cities in Ontario and Quebec.”

“Importantly, we have achieved this growth while strengthening our financial position” continued Mr. Forde. “The debt and equity offerings completed in 2019 provide Unitholders with reliable dividends, a growing pool of unencumbered assets, and resulted in a credit rating upgrade to BBB(H). Together with our mixed-use project partners, we are confident in our ability to provide the financial backing for our growing mixed-use portfolio.”

Key business development highlights for the year ended December 31, 2019 included the following:

- In February 2019, the Trust and Penguin entered another joint venture with CentreCourt, to develop two additional Transit City Condo towers at SmartVMC. These two towers, Towers 4 and 5, will complement the existing joint ventures with CentreCourt that developed Towers 1, 2 and 3, the three 55-storey towers which were strongly received by the market in May 2017. SmartCentres and Penguin also plan to jointly develop a sixth tower as a purpose-built rental apartment together, which is expected to consist of 451 units. The three new towers total approximately 1,600 units, contributing to the rapidly growing downtown core in Vaughan that Penguin and SmartCentres are actively developing. Towers 4 and 5 are anticipated to be 45 and 50 storeys, respectively, while the apartment building is expected to be 35 storeys. The three towers, designed by Diamond Schmitt Architects, are located adjacent to the TTC subway station connecting SmartVMC directly to downtown Toronto. This phase includes expansive open green spaces designed by Claude Cormier + Associés Inc. The open spaces are an integral part of the master plan at SmartVMC. Demand for Towers 4 and 5 has been exceptional as substantively all of the approximately 1,000 units have been pre-sold. Upon completion of these first five phases of condo towers and rental building, it is expected that Transit City will have 3,218 new residential units.

- In February 2019, the Trust, Penguin, and Revera Inc., executed an overall agreement to develop and own new retirement living residences across Canada. In addition, during 2019, the Trust and Revera have executed specific site agreements to proceed with the first three projects in the Greater Toronto Area. The projects are projected to include 536 units, consisting of seniors’ apartments and retirement residences in Vaughan and Oakville. We expect the Trust’s share of the total initial investment to be approximately $150.0 million. It is expected that construction on all three projects will start in the summer of 2021, subject to municipal approvals. Subsequent to year-end, the Trust, together with Revera announced that they have executed three additional site-specific joint venture agreements for new retirement living residences to be built on properties in Barrie, Markham, and Oakville.

- In February 2019, the Trust announced that it has executed agreements for two additional self-storage locations in its joint venture arrangement with SmartStop Asset Management, LLC ("SmartStop"). The total number of Board-approved SmartStop joint venture locations is now nine. Construction is underway on several self-storage projects including Leaside, Oshawa, Brampton, and Vaughan NW, with the Leaside location expected to be open by the second quarter of 2020.

- In July 2019, the Trust announced an agreement with Selection Group to develop a mixed-use complex at SmartCentres' Laurentian Place shopping centre in Ottawa, Ontario. The development is expected to consist of a 13-storey apartment building with 180 units and a 14-storey independent supportive living tower with 230 units. The two buildings are designed to rise above a two-level podium structure that is planned to house shared common facilities, as well as some independent retail shops and services. Three levels of underground parking are also planned. Construction is expected to begin later in 2020.

- In August 2019, the Board of Trustees approved an increase of $0.05 per Unit (2.8%) in annual distributions to $1.85 per Unit, effective October 2019.

- In September 2019, the Trust revised its previously announced mixed-use development initiatives to total 256 (from 168) planned on 94 of the investment properties owned by the Trust, of which 34 mixed-use development initiatives are currently underway. When completed, these mixed-use development initiatives are expected to represent a total of 59.3 million square feet (27.9 million square feet at the Trust's share).

- In September 2019, the Trust entered into a co-ownership agreement with Greenwin and closed on the purchase of a 7.8 acre lakefront property in Barrie, Ontario. The project is contemplated to be a multiphase rental apartment community, comprising over 2,000 residential units. The property is in close proximity to the GO station and has direct access to the waterfront. Commencement of construction of the first phase is expected later in 2020. Subsequent to year end, the Trust announced that it had entered into another joint venture with Greenwin, acquiring 1.15 acres in Toronto's Yonge and Davisville neighbourhood to jointly develop, construct, own and manage a newly built residential rental apartment building.

- In October 2019, the Trust acquired a 50% interest in a self-storage facility in Toronto (Dupont Street), Ontario, which is a 50/50 joint arrangement with SmartStop for a purchase price of $17.1 million.

- Developments and Earnouts totalling 266,870 square feet and 41,008 square feet, respectively, were completed during the year yielding a 6.1% average return, which we believe to be a higher return than would otherwise typically be available through acquisitions in the current open market.

Mixed-use Development and Intensification

- PwC opened its 77,000 square feet of office space in the PwC-YMCA Tower at SmartVMC in November 2019. The PwC-YMCA Tower is a 225,000 square foot mixed-use office tower located in the heart of SmartVMC, adjacent to the VMC subway station and bus terminal. The Trust and Penguin each own a 50% interest in this new office tower.

- The Trust and Penguin signed a lease with Scotiabank in the PwC-YMCA Tower at SmartVMC. Scotiabank will occupy 26,500 square feet, with 23,000 square feet of office space on the 8th floor of the PwC-YMCA Tower, with the balance for a retail branch in the lobby of the tower. The new YMCA and related community-based facilities, including a library and day care, are expected to open later this year.

- 100% of office space in both the KPMG Tower and PwC-YMCA Tower is now leased.

- Construction progress for the three 55-storey Transit City 1, 2 and 3 condo towers, representing 1,741 pre-sold residential units, is on time and ahead of budget and construction of the first phase has now reached the 55th floor, the second phase has reached the 51st floor, and the third phase has now reached the 25th floor.

- Construction is underway on Transit City 4 and 5 condo towers, representing 1,026 residential units, substantially sold out earlier in 2019.

- Commenced construction of a 35-storey, 451-unit purpose-built residential rental building at SmartVMC.

- Continuing to work with potential retail tenants to lease the balance of the ground floor space in the KPMG Tower.

- Re-routing of the new off/on ramps from Hwy 400 to Hwy 7 and completion of the internal road system within SmartVMC are now complete and open with vehicular access directly into SmartVMC.

- In December 2019, the Trust acquired, through PCVP, a 50% interest in a parcel of land with approximately 15.5 acres in Vaughan, Ontario, proximate to SmartVMC, which is a 50/50 joint arrangement with Penguin, for a purchase price of $109.2 million. In addition to the expected future development of high-rise residential buildings, this parcel of land will also have a Walmart store opening in Q3 2020, relocated from the existing SmartVMC site, freeing-up 15.5 acres of land adjacent to the subway station for intensification.

Operational

- Both the committed and in-place occupancy rates improved to 98.2% and 98.1%, respectively, as at December 31, 2019, as compared to 98.1% and 98.0%, respectively, as at December 31, 2018.

- Both the Toronto and Montreal Premium Outlets, co-owned with Simon Properties, continue to experience high sales levels with industry-leading sales per square foot, which ranks both outlets as top tier retail centres in Canada.

- Same Properties NOI would have increased by approximately $5.1 million or 1.0% without the impact of the previously announced tenant bankruptcies. When the impact of these bankruptcies is included, the Same Properties NOI was virtually flat as compared to 2018.(2)

Financial

- Rentals from investment properties and other was $806.4 million, as compared to $790.2 million in 2018, representing an increase of $16.2 million or 2.1%.(1)

- In December 2019, the Trust received a credit rating upgrade by DBRS to "BBB (H)".

- The Trust's unencumbered pool of high-quality assets increased to $5.7 billion, representing an increase of $1.4 billion or 32.6% as compared to 2018.(2)

- Debt metrics further improved compared to 2018 including Debt to Aggregate Assets of 42.3%, Interest Coverage multiple of 3.5X, Interest Coverage net of capitalized interest multiple of 4.0X, and Adjusted Debt to Adjusted EBITDA multiple of 8.0X.

- In January 2019, the Trust closed an equity offering of 7,360,000 Trust Units at a price of $31.25 per Trust Unit for gross proceeds of $230.0 million, including the exercise, in full, of the over-allotment option granted to the underwriters.

- In March 2019, the Trust redeemed $150.0 million aggregate principal amount of 4.05% Series H senior unsecured debentures due in July 2020 (the "Series H Debentures"), constituting all of the Series H Debentures outstanding. Concurrent with the redemption of the Series H Debentures, the Trust arranged a new $150.0 million 7-year, 3.59% fixed rate loan with a major Canadian bank, the proceeds from which were used to repay the Series H Debentures.

- In March 2019, the Trust closed a $350.0 million aggregate principal amount issuance of Series T senior unsecured debentures that carry an annual coupon rate of 2.757% and will mature in June 2021 and the proceeds were used to repay outstanding variable rate mortgage debt.

- In May 2019, the Trust arranged a $170.0 million unsecured bank loan at a fixed rate of 3.256% for seven years with a major Canadian financial institution, with part of the proceeds used to redeem the Series L debentures.

- In December 2019, the Trust closed a $450.0 million aggregate principal amount issuance of Series U senior unsecured debentures that carry an annual coupon rate of 3.526% that will mature in December 2029 and the proceeds were used to repay existing indebtedness, to fund a property acquisition, and for general Trust purposes.

- Excluding year-over-year fair value gains on investment properties and yield maintenance costs incurred in 2019, net income and comprehensive income was $361.2 million as compared to $345.7 million in 2018, representing an increase of $15.5 million or 4.5%.(2)

- FFO with one-time adjustments and before Transactional FFO increased by $17.6 million or 4.8% to $386.0 million as compared to 2018.(2)

- FFO with one-time adjustments and before Transactional FFO per Unit was $2.26 as compared to $2.28 in 2018. The decrease resulted primarily because of dilution associated with the additional Units issued in the January 2019 equity offering.(2)

- ACFO with one-time adjustments increased by $12.0 million or 3.5% to $355.3 million as compared to 2018.(2)

- ACFO exceeded both distributions declared and distributions paid by $24.1 million and $95.7 million, respectively, as compared to 2018 of $57.1 million and $114.2 million, respectively.(2)

- The weighted average stabilized capitalization rate for the Trust's investment property portfolio was 5.89% (December 31, 2018 – 5.92%).(2)

Subsequent to Year End:

- The Trust renewed its short form base shelf prospectus in February 2020, under which the Trust may sell up to $3.0 billion in the aggregate of Trust Securities.

- In January 2020, the Trust converted an existing unsecured non-revolving floating rate credit facility totalling $80.0 million, to a seven-year unsecured non-revolving 2.98% fixed rate loan with a major Canadian financial institution.

- In February 2020, the Trust and Greenwin announced that they have entered into a joint venture and acquired 1.15 acres in Toronto's Yonge and Davisville neighbourhood. This urban infill development site represents a strategic opportunity to jointly develop, construct, own, and manage a newly-built rental apartment building in an established neighbourhood.

- In February 2020, the Trust and Revera Inc. announced that they have executed three more conditional site-specific joint venture agreements to develop and own retirement living residences in strategic urban locations. Three new locations are Barrie (Collier and Owen), Markham (Main and Wilson) and Oakville (Garden Drive and Lakeshore Blvd.) This is in addition to the previously announced three retirement residences' joint venture projects between SmartCentres and Revera in Vaughan (2 projects) and Oakville.

- In February, 2020, the Trust announced that it has executed agreements for three additional self-storage locations in its joint venture arrangement with SmartStop. The three new locations are Wellington Street East and Highway 404 in Aurora, 70 Copper Creek Drive adjacent to Donald Cousens Parkway and Highway 407 in Markham, and Baldwin Street and Taunton Road in north Whitby. The current number of self-storage facilities that are either operated or presently under contract to be operated under the SmartStop brand pursuant to this joint venture arrangement is now ten, comprising over 9,100 units (approximately 1.2 million square feet) with a total joint venture investment of approximately $206.0 million.

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

Selected Consolidated Financial and Operational Information

The consolidated operational, development and financial information shown in the table below includes the Trust's proportionate share of equity accounted investments, see the "Equity Accounted Investments" section in the MD&A for details, and represents key operational and financial information as at December 31, 2019, December 31, 2018 and December 31, 2017.

(in thousands of dollars, except per Unit and other non-financial data)	**2019**	2018	2017
Operational Information			
Total number of properties with an ownership interest	**165**	164	163
Gross leasable area including both retail and office space (in thousands of sq. ft.)	**34,337**	34,379	34,157
Occupied area including both retail and office space (in thousands of sq. ft.)	**33,678**	33,695	33,532
Vacant area including both retail and office space (in thousands of sq. ft.)	**659**	684	626
Retail lands under Mezzanine Financing (in thousands of sq. ft.)	**615**	615	614
Committed occupancy rate	**98.2%**	98.1%	98.3%
In-place occupancy rate	**98.1%**	98.0%	98.2%
Future estimated retail development area (in thousands of sq. ft.)	**2,593**	3,164	4,038
Average lease term to maturity (years)	**4.9**	5.4	5.8
Net retail rental rate (per occupied sq. ft.)	**$15.49**	$15.31	$15.21
Net retail rental rate excluding Anchors (per occupied sq. ft.)	**$22.13**	$21.77	$21.56
Development Information			
Future development area (in thousands of sq. ft.)	**27,900**	N/A(4)	N/A(4)
Total number of future projects currently planned	**256**	168	N/A(4)
Trust's share of estimated costs of future projects	**5,500,000**	3,000,000	N/A(4)
Financial Information			
Investment properties(2)(3)	**9,466,501**	9,155,175	8,952,467
Total assets(1)	**9,928,467**	9,459,632	9,380,232
Total unencumbered assets(2)	**5,696,100**	4,250,800	3,387,000
Debt(2)(3)	**4,290,826**	4,236,364	4,318,330
Debt to Aggregate Assets(2)(3)	**42.3%**	43.9%	45.4%
Debt to Gross Book Value(2)(3)	**49.0%**	51.1%	52.3%
Unsecured to Secured debt ratio(2)(3)	**63%/37%**	48%/52%	43%/57%
Unencumbered assets to unsecured debt(2)(3)	**2.1X**	2.1X	1.8X
Weighted Average Interest Rate(2)(3)	**3.55%**	3.73%	3.69%
Weighted average term of debt	**5.0**	4.9	5.1
Interest Coverage(2)(3)	**3.5X**	3.3X	3.2X
Interest coverage (net of capitalized interest expense)(2)(3)	**4.0X**	3.8X	3.7X
Adjusted Debt to Adjusted EBITDA(2)(3)	**8.0X**	8.2X	8.2X
Equity (book value)(1)	**5,367,752**	5,008,331	4,827,457

(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) N/A - information not available.

Year-to-Date Comparison to Prior Year

The following table represents key financial, per Unit, and payout ratio information for the years ended December 31, 2019 and December 31, 2018:

(in thousands of dollars, except per Unit information)	2019	2018	Variance
	(A)	(B)	(A–B)
Financial Information			
Rentals from investment properties and other[(1)]	**806,412**	790,178	16,234
Net income and comprehensive income[(1)(3)]	**374,203**	402,947	(28,744)
Net income and comprehensive income excluding fair value adjustments on revaluation of investment properties, and yield maintenance costs[(2)(3)]	**361,156**	345,744	15,412
Cash flows provided by operating activities[(1)]	**345,611**	350,321	(4,710)
NOI[(2)]	**514,050**	505,300	8,750
FFO[(2)(3)(4)(5)]	**365,440**	367,186	(1,746)
FFO with one-time adjustment of yield maintenance costs[(2)(3)(4)]	**385,953**	367,186	18,767
FFO with one-time adjustments and before Transactional FFO[(2)(3)(4)]	**385,953**	368,340	17,613
FFO with one-time adjustments and Transactional FFO[(2)(3)(4)(5)]	**388,771**	371,304	17,467
ACFO[(2)(3)(4)(5)]	**334,796**	342,199	(7,403)
ACFO with one-time adjustments[(2)(3)(4)]	**355,309**	343,353	11,956
Distributions declared	**310,651**	285,082	25,569
Surplus of ACFO with one-time adjustments over distributions declared[(2)]	**44,658**	58,271	(13,613)
Surplus of ACFO with one-time adjustments over distributions paid[(2)]	**116,198**	115,384	814
Units outstanding[(6)]	**171,283,191**	161,716,843	9,566,348
Weighted average – basic	**169,709,748**	160,700,157	9,009,591
Weighted average – diluted[(7)]	**170,581,531**	161,507,550	9,073,981
Per Unit Information (Basic/Diluted)			
Net income and comprehensive income	**$2.20/$2.19**	$2.51/$2.49	$-0.31/$-0.30
Net income and comprehensive income excluding fair value adjustments on revaluation of investment properties, and yield maintenance costs[(2)(3)]	**$2.13/$2.12**	$2.15/$2.14	$-0.02/$-0.02
FFO[(2)(3)(4)(5)]	**$2.15/$2.14**	$2.28/$2.27	$-0.13/$-0.13
FFO with one-time adjustment of yield maintenance costs[(2)(3)(4)]	**$2.27/$2.26**	$2.28/$2.27	$-0.01/$-0.01
FFO with one-time adjustments and before Transactional FFO[(2)(3)(4)]	**$2.27/$2.26**	$2.29/$2.28	$-0.02/$-0.02
FFO with one-time adjustments and Transactional FFO[(2)(3)(4)(5)]	**$2.29/$2.28**	$2.31/$2.30	$-0.02/$-0.02
Distributions declared	**$1.813**	$1.763	$0.050
Payout Ratio Information			
Payout ratio to FFO[(2)(3)(4)(5)]	**85.0 %**	77.6 %	7.4 %
Payout ratio to FFO with one-time adjustment of yield maintenance costs[(2)(3)(4)]	**80.5 %**	77.6 %	2.9 %
Payout ratio to FFO with one-time adjustments and before Transactional FFO[(2)(3)(4)]	**80.5 %**	77.6 %	2.9 %
Payout ratio to FFO with one-time adjustments and Transactional FFO[(2)(3)(4)]	**79.9 %**	76.8 %	3.1 %
Payout ratio to ACFO[(2)(3)(4)(5)]	**92.8 %**	83.3 %	9.5 %
Payout ratio to ACFO with one-time adjustments[(2)(3)(4)]	**87.4 %**	83.0 %	4.4 %

(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 this MD&A.
(3) Includes the Trust's proportionate 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 FFO and ACFO and related payout ratios, including comparative amounts, are financial metrics that were determined based on the February 2019 REALpac White Paper on FFO and ACFO, respectively. Comparison with other reporting issuers may not be appropriate. The payout ratio to FFO and the payout ratio to ACFO are calculated as declared distributions divided by FFO and ACFO, respectively.
(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 December 31, 2019, net income and comprehensive increased by $1.0 million or 1.0% as compared to the same period last year. This increase was primarily attributed to the following:

- $4.9 million increase in fair value adjustment on financial instruments principally due to the fluctuation in the Trust's unit price as compared to the same period last year;
- $4.3 million increase in NOI;
- $2.1 million increase in fair value adjustments on revaluation of investment properties principally due to changes in lease and NOI assumptions relating to the Trust's portfolio;
- $1.5 million decrease in general and administrative expenses;
- $1.2 million decrease in interest expense, net of yield maintenance costs; and
- $1.0 million increase in interest income;

Partially offset by the following:

- $12.6 million increase in yield maintenance on early repayment of secured debt and related write-off of unamortized financing costs; and
- $1.4 million increase in supplemental capital costs.

For the year ended December 31, 2019, net income and comprehensive income decreased by $28.7 million or 7.1% as compared to the same period last year. This decrease was primarily attributed to the following:

- $23.6 million decrease in fair value adjustments on revaluation of investment properties principally due to changes in lease and NOI assumptions relating to the Trust's portfolio;
- $20.5 million increase in yield maintenance on redemption of unsecured debentures, early repayment of secured debt, and related write-off of unamortized financing costs; and
- $2.0 million increase in supplemental capital costs;

Partially offset by the following:

- $8.8 million increase in NOI;
- $4.0 million decrease in general and administrative expenses;
- $3.4 million decrease in interest expense; and
- $1.2 million increase in interest income.

FFO Highlights

For the three months ended December 31, 2019, FFO with one-time adjustment of yield maintenance increased by $8.1 million or 8.8% to $100.7 million. This increase was primarily attributed to:

- a $4.3 million increase in NOI;
- a $1.5 million decrease in net general and administrative expense;
- a $1.0 million net decrease in interest expense (excluding yield maintenance);
- a $1.0 million increase in interest income; and
- a $0.6 million increase in add back for indirect interest incurred in respect of equity accounted development projects;

Partially offset by:

- a $0.3 million decrease in FFO add back for the salaries and related costs attributed to leasing activities.

For the year ended December 31, 2019, FFO with one-time adjustment of yield maintenance increased by $18.8 million or 5.1% to $386.0 million. This increase was primarily attributed to:

- an $8.8 million increase in NOI;
- a $4.0 million decrease in general and administrative expense;
- a $3.8 million net decrease in interest expense (excluding yield maintenance);
- a $1.2 million increase in interest income;
- a $0.4 million increase in FFO add back for the salaries and related costs attributed to leasing activities;
- a $0.4 million increase in FFO add back for the amortization of tenant incentives; and
- a $0.2 million increase in add back for indirect interest incurred in respect of equity accounted development projects.

ACFO Highlights

For the three months ended December 31, 2019, ACFO with one-time adjustments increased by $2.7 million or 3.2% to $88.6 million as compared to the same quarter in 2018, which was primarily due to items previously identified (see “Results of Operations” section in the MD&A).

The Payout Ratio relating to ACFO with one-time adjustments for the three months ended December 31, 2019 increased by 5.5% to 89.9% as compared to the same quarter last year, primarily as a result of 7,360,000 Units issued as part of the $230.0 million equity offering in January 2019.

For the year ended December 31, 2019, ACFO with one-time adjustments increased by $12.0 million or 3.5% to $355.3 million compared to the prior year, which was primarily due to items previously identified (see “Results of Operations” section in the MD&A).

The Payout Ratio relating to ACFO with one-time adjustments for the year ended December 31, 2019 increased by 5.3% to 87.4% as compared to the prior year, primarily as a result of 7,360,000 Units issued as part of the $230.0 million equity offering in January 2019.

Development and Intensification Summary

2020 will be a transformative year for the Trust. The first closings of the Transit City Phase 1 & 2 condominiums are expected to begin in Q3 2020 and the proceeds from these closings are expected to propel FFO per Unit growth levels in 2020. Also, in addition to continuing construction on a variety of intensification initiatives that have already begun, we expect that during 2020, we will commence development on a variety of new mixed-use development initiatives.

Included in this large development pipeline are 256 identified mixed-use development initiatives, which is summarized in the following table:

Description	**Underway** (Construction underway or expected to commence within next 2 years)	**Active** (Construction expected to commence within next 3–5 years)	**Future** (Construction expected to commence after 5 years)	**Total**
Trust's share of number of projects				
Residential Rental	7	23	58	88
Seniors’ Housing	4	13	28	45
Self-storage	10	16	22	48
Office Buildings	1	—	9	10
Hotels	1	2	2	5
Subtotal – Recurring income initiatives	23	54	119	196
Condominiums	9	12	25	46
Townhomes	2	5	7	14
Subtotal – Development income initiatives	11	17	32	60
Total	**34**	**71**	**151**	**256**
Trust’s share of project area (in thousands of sq. ft.)				
Recurring income initiatives	3,800	4,800	12,400	21,000
Development income initiatives	2,200	1,600	3,100	6,900
Total Trust’s share of project area (in thousands of sq. ft.)	**6,000**	**6,400**	**15,500**	**27,900**
Trust’s share of estimated costs (in millions of dollars)	**2,500**	**3,000**	**–** [(1)]	**5,500**

(1) The Trust has not yet fully determined the costs attributable to future projects and as such it is marked nil in this table.

Non-GAAP Measures

The non-GAAP measures used in this Press Release, including but not limited 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 year ended December 31, 2019, available on SEDAR at www.sedar.com.

Full reports of the financial results of the Trust for the year ended December 31, 2019 are outlined in the 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, February 12, 2020 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 1-800-263-0877. 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, February 12, 2020 beginning at 8:30 p.m. (ET) through to 8:30 p.m. (ET) on Wednesday, February 19, 2020. To access the recording, please call 1-888-203-1112 and enter the Replay Passcode 2575581#.

About SmartCentres

SmartCentres Real Estate Investment Trust is one of Canada's largest fully integrated REITs, with a best-in-class portfolio featuring 157 strategically located properties in communities across the country. SmartCentres has $9.9 billion in assets and owns 34.1 million square feet of income producing value-oriented retail space with over 98% occupancy, on 3,500 acres of owned land across Canada.

SmartCentres continues to focus on enhancing the lives of Canadians by planning and developing complete, connected, mixed-use communities on its existing retail properties. A publicly announced $12.1 billion intensification program ($5.5 billion at SmartCentres' share) represents the REIT's current major development focus. This intensification program consists of rental apartments, condos, seniors' residences and hotels, to be developed under the SmartLiving banner, and retail, office, and storage facilities, to be developed under the SmartCentres banner.

SmartCentres' intensification program is expected to produce an additional 27.3 million square feet of space; all construction commencing within the next five years, 13.3 million square feet of which is already underway.

From shopping centres to city centres, SmartCentres is uniquely positioned to reshape the Canadian urban and urban-suburban landscape. For more information, 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 period ended December 31, 2019. 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 year ended December 31, 2019 and under the heading "Risk Factors" in its Annual Information Form for the year ended December 31, 2019. 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 & CEO
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.