SMARTCENTRES®
REAL ESTATE INVESTMENT TRUST

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

SmartCentres REIT provides a business update related to COVID-19

TORONTO, April 21, 2020 – SmartCentres Real Estate Investment Trust ("SmartCentres" or the "REIT") (TSX: SRU.UN) released an update today on the impact of COVID-19 on the REIT's business, the measures it has put in place, accordingly, and its long-term strategy. Additional details will be provided as part of the REIT's first quarter reporting. Additionally, the REIT announced today that it is withdrawing any previous guidance for fiscal 2020 due to the continuing economic and operating impact resulting from the COVID-19 pandemic.

SmartCentres is an open-air shopping centre REIT, 5 years into a strategy to transition into a diversified REIT through development, primarily on its owned properties, of residential, seniors housing, office, and storage facilities. This $12.1 billion development program, underway, is in the service of the REIT's short, medium and long-term growth strategy, providing additional sources of income from intensification and its alignment in an ever-changing world.

Not all retail is the same. SmartCentres' focus has always been on value/essential services-oriented retail; not fashion, recreational, entertainment or experimental retail. This weekly-needs centric retail portfolio is the result of a long-standing relationship with Walmart, going back to Walmart's entry into Canada. It is from this pedigree and mindset that SmartCentres emerged in the 1990s, focused, along with Walmart, on bringing value to all Canadians and has led to its consistent 98% plus occupancy level, up to and including as recently as December 31, 2019 (the REIT's last reporting date). Having said that, SmartCentres is alert to the changing landscape of retail and has hence chosen to be 'driver', not 'passenger', in charting its path into the next era, which, notwithstanding, but also because of, accelerated complexities associated with COVID-19, continues to be the REIT's vision.

March 12-April 21, 2020: Focused on Supporting Canadians

First and foremostly, SmartCentres' priority during this period of uncertainty is to protect its people, the communities it serves, and its business. The SmartCentres Business Continuity Leadership Team, led by President and CEO, Peter Forde, meets daily to monitor the evolving situation and adapt in the best interest of all its stakeholders.

Government and Health Care

On March 23, 2020, SmartCentres officially offered free use of 1-million square feet of its built space, as well as its land, parking lots and signage to Canadian government and health care authorities, to help support their COVID-19 relief efforts. Trillium Health Network and Hamilton Health Sciences, which include 13 hospital and medical facilities, accepted the offer to use SmartCentres retail units, to help in their front-line patient care efforts. SmartCentres is continuing discussions with government and health care leaders across the country to activate the use of additional space. Above and beyond any of the temporary economic achievements outlined in this press release, SmartCentres is without a doubt most proud of this collaborative initiative to help protect Canadians.

Independent Retailers

On March 19, 2020, SmartCentres announced its intention to stand by its Small Independent Retailers ("SIRs"). The following week, the REIT began proactively reaching out to these tenants, offering support through a rent deferral program.

Essential Businesses

The REIT is also intensely focused on helping its tenants safely serve the communities in which it operates during these challenging times. Many of its tenants are essential businesses that remain fully or partially open under varying emergency orders in the places where SmartCentres shopping centres are located. SmartCentres is methodically securing and maintaining all exterior space, and is working closely with retailers to set up curbside pickup and alternate approaches to safely distribute their goods, and stimulate additional onsite economic activity.

Tenant Update

Non-Essential Small Independent Retail Tenants: 6%

As noted above, SmartCentres' rent relief focus has been on supporting non-essential SIRs. A great deal of time has been spent reviewing every lease and contacting its SIRs, to understand their unique situations. The REIT proactively offered rent deferrals to all of its SIRs, as it believes they are most vulnerable to challenges associated with short term business slowdown or temporary closure. These SIRs represent 6% of SmartCentres' contracted rent.

All Essential and National/Regional Non-Essential Tenants: 94%

Given the value-focused origins of the SmartCentres portfolio, the REIT has a strong stable tenant base, the majority comprised of solid creditworthy essential businesses such as Walmart, Loblaws, Shoppers Drug Mart, Canadian Tire, Sobeys, Dollarama, Rexall, Home Depot, McDonald's, the LCBO, Rogers, Telus, Lowe's, Dollar Tree, BMO, CIBC, RBC, Scotiabank and TD. Walmart is the anchor in 73% of its properties, representing over 25% of the REIT's rental income.

60% of the REIT's tenant base is comprised of essential services, which continue to operate throughout the COVID-19 crisis, supplying local communities with everyday groceries, pharmaceuticals, general merchandise, medical assistance, banking, telecom and other essentials needs. As of April 1, 2020, the market cap of the parent companies of the REIT's essential businesses exceeds $1.5 trillion.[1]

Below is a summary of SmartCentres' portfolio, inclusive of rent collection experience for April 2020 to date:

Category	% of April's Expected Rent	Collection of Expected Rent
Unenclosed Retail	92%	70%
Enclosed Malls	2%	51%
Office	2%	97%
Total Excluding Outlet Centres	**96%**	**70%**
Outlet Centres	4%	18%

April month to date, SmartCentres collected 70% of all rent for April expected after the deferrals offered to the SIRs and excluding the two outlet centres - managed by Simon Properties - (68% of all contracted rent for April, excluding the two outlet centres). *"The majority of our tenants are healthy and paid their rent. While we are disappointed by the non-payment of rent by some strong capable companies, we still believe that we will collect April's rent in due course,"* said Mr. Forde. *"We expect strong retailers to pay their rent obligations. This also enables us and our peers to support the smaller more vulnerable retailers through this difficult time."*

As the Walmart relationship attests, SmartCentres believes the long view is most beneficial when it comes to landlord-tenant relations. SmartCentres leadership is having in-depth conversations with various tenants to advance reconciliation. The REIT believes that these rents will be collected over a period of time through these discussions, legal enforcement, if necessary, and/or use of the $14 million in deposits held from certain tenants.

Operational Update

SmartCentres, with its Walmart relationship and its value orientation, has always had a disciplined approach to operational expenditures. This approach is even more important right now. The REIT is actively committed to more extreme cashflow management until the market stabilizes. For example, scheduled repairs and maintenance will continue because most SmartCentres properties have operating Walmarts and other essential tenants that require this standard as they continue to stay open to assist Canadians. However, optional upgrades and/or cosmetic expenditures, that are not health and life safety related are being postponed.

[1] Not converted for currency; Reflective of the parent corporation or the company name on the lease.

Given its predominantly open-air business model, 96% of the REIT's income is from unenclosed retail properties and outlet centres, with tenants maintaining the upkeep of their own space. Therefore, the REIT does not have exposure to maintenance and other substantial costs associated with enclosed malls' internal common areas in 96% of its portfolio. Further, the REIT is still focused on opportunities to reduce exterior maintenance expenses through cutting back on the level of services commensurate with the reduction in non-essential tenant customer traffic and renegotiated contract terms for such services.

As well, General and Administrative expenses have been closely analyzed and are being sensibly curtailed with a short, medium and long-term perspective in mind. Expenditures such as conferences, training, travel, meals and entertainment, printing and recruiting are all down as a natural result of the temporary change in business patterns, combined with a proactive cost management program. SmartCentres has not laid off any employees, but is planning to participate in any government programs available to assist in maintaining its workforce.

Development Update

As part of its transition to a diversified REIT, SmartCentres believes it is in its best interest to continue to advance its major developments / intensification program:

- Residential construction at SmartVMC in Vaughan Ontario is progressing as permitted under the current emergency orders, with five sold-out Transit City condominium towers (2,600 units) at various stages of completion, the first two on schedule for unit closings this year. All five towers have committed project-specific financing and $255 million in purchaser deposits (at 100%).

- Construction has been completed on the first 166-unit rental apartment building in the REIT's 50/50 JV in Laval, Quebec with lease up approaching 50% and occupancy recently commencing (currently 20%).

- Detailed planning for municipal approvals is continuing for 6 seniors' residences/apartment buildings in the Greater Toronto Area ("GTA") in the REIT's JV with Revera and for 2 seniors' residences/apartment buildings in Ottawa in partnership with Selection Group. Construction commencement is contingent upon satisfactory project-specific construction financing.

- Detailed planning for municipal approvals is continuing on 5 self-storage buildings in the GTA and construction of an additional 4 buildings is paused at various stages of completion as such construction is temporarily deemed non-essential, all in the REIT's JV with SmartStop. Project-specific construction financing, as well as a repatriation of approximately $12 million in pre-funded project costs is expected within the next three weeks.

SmartCentres has an experienced and fully-integrated development team of multi-disciplinary associates, inclusive of in-house architects, engineers, land development planners, construction personnel, lawyers, and finance professionals. "*Our team is continuing to work with local municipalities and provinces to advance approvals,*" said Mitchell Goldhar, SmartCentres Executive Chairman. *"We are leveraging our deep in-house expertise to plan and prepare now, poised to emerge from this stronger than ever. Where project-specific construction financing is not in place, development activities will be limited to the municipal land-use approval process; which is where much of the equity is created."*

Financial Update

The REIT has always taken a disciplined and measured approach, deliberately taking steps in good times to prepare for unforeseen financial challenges in bad ones. This is why Walmart is SmartCentres' largest corporate exposure by more than fivefold.

At December 31, 2019 SmartCentres had low debt levels, at approximately 42.5% of asset value. Of that, 63% is unsecured debt. The REIT has a portfolio of nearly $6 billion in unencumbered assets, free of mortgage debt and available to raise capital; and it has the availability of funds from its $500 million operating line of credit in addition to the project specific-financing referred to above.

"SmartCentres was built for heavy weather," said Mr. Goldhar. *"We have ample liquidity to weather the storm, for an extended period of time, if necessary, and will not jeopardize liquidity."*

Longer-Term Strategy

While COVID-19 has altered SmartCentres' short-term priorities, its long-term strategy remains unchanged. The economic uncertainty that has resulted from the pandemic will undoubtedly have some adverse effects and will result in temporary increases and decreases in various metrics. *"Regardless of short term data points, our locations have not changed, the highways and transit to them have not changed, the visibility of our properties has not changed, the populations around them and their needs have not changed,"* said Mr. Goldhar. *"Our greatest asset remains unchanged; our real estate."*

Past financial downturns have substantiated time and time again that real estate is resilient and that good real estate recovers from economic downturns. *"SmartCentres has never been interested in a consolation prize, nor is it now,"* said Mr. Goldhar. *"We are interested first in preserving value, protecting liquidity, and on the lookout for opportunities that will most certainly present themselves in due course, as difficult as that may be to imagine right now."*

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 over 34 million square feet of income producing value-oriented retail space with over 98% occupancy at December 31, 2019, 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 will produce an additional 27.3 million square feet of space; all construction planned to commence 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 smartcentres.com.

FORWARD LOOKING INFORMATION

This press release may contain forward-looking information within the meaning of applicable securities legislation, including with respect to the impact of the COVID-19 pandemic including SmartCentres' plans, expectations and intentions with respect to the collection of rent from tenants, the operation, maintenance and development of its properties and expectations with respect to liquidity, future growth and SmartCentres' long term outlook, which reflects SmartCentres' current expectations regarding future events and is based on information currently available to management. Given this unprecedented period of uncertainty, there can be no assurance regarding: (a) the impact of COVID-19 on SmartCentres' business, operations and performance, including its ability to meet or remain on track to meet or exceed its stated 2020 financial outlook which has now been withdrawn; (b) SmartCentres' ability to mitigate such impacts; (c) credit, market, currency, operational, and liquidity risks generally; and (d) other risks inherent to SmartCentres' business and/or factors beyond its control which could have a material adverse effect on the REIT.

Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond SmartCentres' control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, uncertainty related to the ongoing COVID-19 pandemic including, but not limited to, potential impacts on occupancy rates in the REIT's properties, the ability of tenants to enter into new leasing transactions or to satisfy rental payments under existing leases, the availability of the terms of financing the REIT has access to or may anticipate utilizing, the REIT's ability to make principal and interest payments on, or refinance any outstanding debt when due and the ability to make distributions to unitholders, and the risks discussed under the heading "Risks and Uncertainties" and elsewhere in SmartCentres' most recent management's discussion and analysis as well as under the heading "Risk Factors" in SmartCentres most recent annual information. Although the forward-looking information contained in this press release is based on what management believes to be reasonable assumptions, SmartCentres cannot assure that actual results will be consistent with this forward-looking information. SmartCentres does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. All forward-looking statements contained in this press release are made as of the date hereof and are qualified by these cautionary statements.

CONTACT

For more information, please contact:

Mitchell Goldhar
Executive Chairman
SmartCentres
(905) 326-6400 ext. 7674
mgoldhar@smartcentres.com

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