



H&R REAL ESTATE INVESTMENT TRUST

Announces \$200MM Floating Rate Senior Unsecured Debenture Financing

Toronto, July 21, 2015 – H&R Real Estate Investment Trust (“H&R REIT”) (TSX: HR.UN; HR.DB.D; HR.DB.E and HR.DB.H) is pleased to announce an offering, through a syndicate of agents co-led by RBC Capital Markets, TD Securities and CIBC, of \$200 million principal amount of senior unsecured debentures (the “Series K Debentures”). The Series K Debentures will bear interest at a rate equal to 3-month CDOR plus 143 basis points, payable quarterly in arrears, and will mature on March 1, 2019.

The net proceeds from the offering of the Series K Debentures will be utilized by H&R REIT to repay outstanding indebtedness and for general trust purposes.

DBRS Limited has provided H&R REIT with a provisional credit rating of BBB (high) with a stable trend relating to the Series K Debentures. Closing is expected to occur on or about July 28, 2015.

The offering of the Series K Debentures is being made under H&R REIT's existing short form base shelf prospectus dated April 30, 2015. The terms of the offering of the Series K Debentures will be described in a prospectus supplement to be filed with Canadian securities regulators.

About H&R REIT

H&R REIT is Canada's largest diversified real estate investment trust with total assets of approximately \$13.5 billion as at March 31, 2015. H&R REIT is a fully internalized REIT and has ownership interests in a North American portfolio of high quality office, retail, industrial and residential properties comprising over 46 million square feet.

Forward-looking Statements

Certain information in this news release contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements relating to the expected date of closing for the offering, the objectives of H&R REIT, strategies to achieve those objectives, H&R REIT's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect H&R REIT's current beliefs and are based on information currently available to management. These statements are not guarantees of future performance and are based on H&R REIT's estimates and assumptions that are subject to risk and uncertainties, including those discussed in H&R REIT's materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of H&R REIT to differ materially from the forward-looking statements contained in this news release. Those risks and uncertainties include, among other things, risks related to: prices and market value of securities of H&R REIT; availability of cash for distributions; restrictions pursuant to the terms of indebtedness; liquidity; credit risk and tenant concentration; interest rate and other debt related risk; tax risk; ability to access capital markets; dilution; lease rollover risk; construction risks; currency risk; unitholder liability; co-ownership interest in properties; competition for real property investments; environmental matters; and changes in legislation and indebtedness of H&R REIT. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include that the general economy is stable; local real estate conditions are stable; interest rates are relatively stable; and equity and debt markets continue to

provide access to capital. H&R REIT cautions that this list of factors is not exhaustive. Although the forward-looking statements contained in this news release are based upon what H&R REIT believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as of today, and H&R REIT, except as required by applicable law, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

For further information:

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