



H&R REAL ESTATE INVESTMENT TRUST

H&R REIT UPSIZES ITS CREDIT FACILITIES BY \$300 MILLION

and Together with its Partners Secure U.S.\$640 Million Construction Financing for the Long Island City Residential Project

Toronto, December 21, 2015 - H&R Real Estate Investment Trust ("**H&R REIT**") (TSX: HR.UN; HR.DB.D; HR.DB.E; HR.DB.H) announced today that it has entered into a new senior unsecured revolving credit facility for \$500 million with a syndicate of lenders led by Canadian Imperial Bank of Commerce, and including Bank of Montreal and The Toronto-Dominion Bank, maturing December 18, 2018. H&R REIT has covenanted to maintain an adjusted unencumbered asset coverage of 1.4 times total unsecured indebtedness. This replaces the previous \$300 million secured general operating line maturing on December 31, 2016.

H&R REIT, through its wholly-owned Primaris subsidiary, PRR Trust, has also amended its senior secured credit facility with The Bank of Nova Scotia by increasing the line from \$200 million to \$300 million, extending the maturity date to December 18, 2017 and adding H&R REIT's indirect 50% ownership interests in two additional shopping centre properties to the security package in favour of the lender.

In addition, H&R REIT, through its wholly-owned subsidiary, H&R REIT (U.S.) Holdings Inc. and together with its partners, have secured a U.S.\$640 million construction financing for the residential rental project in Long Island City, New York. The construction financing was arranged through a syndicate of lenders co-led by Bank of America and Wells Fargo Bank and will be made available upon satisfaction of certain conditions, including a further equity investment of U.S.\$64.4 million by H&R REIT (U.S.) Holdings Inc.

About H&R REIT

H&R REIT is Canada's largest diversified real estate investment trust with total assets of approximately \$13.8 billion as at September 30, 2015. H&R REIT is a fully internalized real estate investment trust 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 statements in this news release contain forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements). These forward-looking statements include, but are not limited to H&R REIT's plans, objectives, expectations and intentions, including H&R REIT's expectations regarding future developments in connection with the Long Island City project and other statements contained in this release that are not historical facts. 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 risks 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. 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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