



## **H&R REIT TO SELL ITS STAKE IN SCOTIA PLAZA**

Toronto, June 20, 2016 - H&R Real Estate Investment Trust (“**H&R**”) (TSX: HR.UN; HR.DB.D; HR.DB.E; HR.DB.H) has, subject to customary conditions, entered into an agreement to sell H&R’s freehold and leasehold interests in Scotia Plaza and 100 Yonge Street (collectively, “Scotia Plaza”) for approximately \$438.3 million. The purchaser will be assuming H&R’s share of the existing financing on the properties and there will be no mark-to-market adjustment to the purchase price. H&R expects to receive net proceeds of approximately \$229 million before closing costs and adjustments.

H&R will use the proceeds to repay debt, including the \$180 million in unsecured debentures maturing in July 2016. After such repayment, H&R’s proforma debt to total asset ratio is expected to improve to 45.5% from 46.4% at March 31, 2016.

Closing is expected to occur on or about June 30, 2016.

### **About H&R REIT and H&R Finance Trust**

H&R REIT is Canada’s largest diversified real estate investment trust with total assets of approximately \$14.6 billion as at March 31, 2016. 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 47 million square feet.

H&R Finance Trust is an unincorporated investment trust, which primarily invests in notes issued by a U.S. corporation which is a subsidiary of H&R REIT. The current note receivable balance is U.S. \$220.4 million. In 2008, H&R REIT completed an internal reorganization which resulted in each issued and outstanding H&R REIT unit trading together with a unit of H&R Finance Trust as a “Stapled Unit” on the Toronto Stock Exchange.

### **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’s plans, objectives, expectations and intentions, including the assumption of H&R’s share of existing financing on Scotia Plaza and the expected closing date of the sale of Scotia Plaza. Such forward-looking statements reflect H&R’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’s estimates and assumptions that are subject to risks and uncertainties, including those discussed in H&R’s materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of H&R to differ materially from the forward-looking statements contained in this news release. Although the forward-looking statements contained in this news release are based upon what H&R 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, 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.

Additional information regarding H&R REIT is available at [www.hr-reit.com](http://www.hr-reit.com) and on [www.sedar.com](http://www.sedar.com).