



H&R REIT TO SELL 50% OF TRANSCANADA TOWER IN CALGARY TO HOOPP

Toronto, October 6, 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 a 50% non-managing interest in the TransCanada Tower in Calgary to HOOPP Realty Inc., a wholly-owned subsidiary of the Healthcare of Ontario Pension Plan (“HOOPP”) for approximately \$257.4 million which equates to a 5.15% capitalization rate on current net operating income. The property has almost doubled in value since its construction by H&R in 2001.

Use of proceeds will be to repay debt, including the existing mortgage of \$82.1 million. H&R’s proforma debt to total asset ratio is expected to improve to 44.2% from 45.8% at June 30, 2016. H&R’s unencumbered pool of assets is expected to grow to \$2.6 billion while total unsecured debt is expected to decrease to \$1.3 billion, resulting in a 2.0 times unencumbered asset coverage ratio.

H&R’s President and CEO, Thomas Hofstedter, said: “We are pleased to be partnering with HOOPP, one of Canada’s premier pension funds and look forward to the beginning of a successful and long-term relationship. The selling price and capitalization rate of this property validates our strategy of acquiring high quality properties leased long-term to creditworthy tenants”.

Closing is expected to occur in November 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 \$14.5 billion at June 30, 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 46 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 repayment of the existing mortgage on TransCanada Tower, the expected closing date of the 50% non-managing interest in TransCanada Tower, H&R’s expected pro forma debt to asset ratio and H&R’s proforma unencumbered assets and unsecured debt. 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 and on www.sedar.com. For more information, please contact Larry Froom, Chief Financial Officer, H&R Real Estate Investment Trust, 416-635-7520, or e-mail info@hr-reit.com.