



H&R REAL ESTATE INVESTMENT TRUST

Announces \$200MM Senior Unsecured Debenture Financing

Toronto, October 31, 2016 – 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 that it has agreed to issue \$200 million principal amount of Series L Senior unsecured debentures on a bought deal basis. These debentures will carry a coupon rate of 2.923% and will mature on May 6, 2022. The offering is being underwritten through a syndicate co-lead and bookrun by BMO Capital Markets, CIBC Capital Markets, Scotiabank and TD Securities. The offering is expected to close on or about November 7, 2016. It is a condition of closing that a final rating by DBRS of BBB (high) be obtained.

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

The offering of the Series L 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 L 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 \$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.

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 date of closing of the offering and the filing of a prospectus supplement. 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 <http://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.

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