



Announces 150MM Private Placement of Floating Rate Senior Unsecured Debentures

TORONTO, January 16, 2017 – H&R Real Estate Investment Trust (“H&R REIT”) (TSX: HR.UN; HR.DB.D; and HR.DB.H) is pleased to announce it has entered into an agreement to sell on a private placement “best efforts” agency basis, to a syndicate of agents co-led and bookrun by TD Securities, Scotia Capital, BMO Capital Markets and CIBC World Markets, \$150 million principal amount of senior unsecured debentures (the “Series M Debentures”). The Series M Debentures will be issued at par, bear interest at a rate equal to 3-month CDOR plus 123 basis points payable quarterly in arrears and will mature on July 23, 2019.

Subject to customary closing conditions, the offering is scheduled to close on January 23, 2017. It is a condition of closing to the offering that the debentures be rated at least BBB (high) with a stable trend by DBRS. The offering is on a private placement basis and the debentures will be issued pursuant to H&R REIT’s trust indenture dated February 3, 2010 as supplemented. These debentures will rank *pari passu* with H&R REIT’s outstanding senior unsecured debentures.

The net proceeds of the offering will be used for the repayment of existing indebtedness and for general trust purposes.

The debentures offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the debentures in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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 September 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 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 statement contained in this news release. 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 those 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.

Additional information regarding H&R REIT and H&R Finance Trust 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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