



H&R REAL ESTATE INVESTMENT TRUST

Announces \$200MM Senior Unsecured Debenture Financing

Toronto, January 23, 2017 – H&R Real Estate Investment Trust (“H&R REIT”) (TSX: HR.UN; HR.DB.D; and HR.DB.H) is pleased to announce that it has agreed to issue \$200 million principal amount of Series N Senior unsecured debentures on a bought deal basis. These debentures will carry a coupon rate of 3.369% and will mature on January 30, 2024. 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 January 30, 2017. 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 N Debentures will be utilized by the REIT to repay outstanding indebtedness and for general trust purposes. In particular, it is anticipated that the net proceeds from this offering together with the net proceeds from the private placement of Series M senior unsecured debentures that closed today and the net proceeds from the previously announced sale of a 50% interest in two Canadian enclosed shopping centres will be utilized by the REIT to (i) repay two series of outstanding debentures having an aggregate principal amount of approximately \$175 million maturing between January 23rd and February 3rd, 2017, and (ii) repay outstanding mortgages having an aggregate principal amount of approximately \$307 million maturing between February 1st and March 1st, 2017.

The offering of the Series N 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 N 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 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 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, the filing of a prospectus supplement and the intended use of proceeds. 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.