



H&R REAL ESTATE INVESTMENT TRUST

Announces \$100 MM Senior Unsecured Debenture Financing

Toronto, April 5, 2017 – H&R Real Estate Investment Trust (“H&R REIT” or “H&R”) (TSX: HR.UN; HR.DB.D; and HR.DB.H) is pleased to announce that it has agreed to issue an additional \$100 million principal amount of Series N Senior unsecured debentures on a bought deal basis, which is a re-opening of this series of debentures, the original issuance of which was completed in January 2017. These debentures will carry a coupon rate of 3.369% and will mature on January 30, 2024. The additional debentures were sold at a price of \$100.532 per \$100 principal amount plus accrued interest, with an effective yield of 3.279% if held to maturity. An aggregate of \$300 million of such debentures will be outstanding after giving effect to the offering. The offering is being underwritten through a syndicate co-led and bookrun by TD Securities, BMO Capital Markets, CIBC Capital Markets and Scotiabank. The offering is expected to close on or about April 13, 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 H&R REIT to repay outstanding indebtedness and for general trust purposes.

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 \$14.7 billion at December 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 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 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.