



H&R Announces Suspension of Distribution Reinvestment Plan

TORONTO, February 28, 2018 – H&R Real Estate Investment Trust (“H&R REIT” or “H&R”) and H&R Finance Trust (collectively, the “Trusts”) (TSX: HR.UN; and HR.DB.D) today announced the suspension of the Trusts’ distribution reinvestment plan (the “DRIP”) and unit purchase plan (the “Purchase Plan”) until further notice. Commencing with the March 2018 distribution, unitholders who elected to participate in the DRIP will receive the full declared cash distributions on their Stapled Units on the distribution payment date. If H&R elects to reinstate the DRIP in the future, unitholders that were enrolled in the DRIP at the time of its suspension and remain enrolled at the time of its reinstatement will automatically resume participation in the DRIP. Unitholders who elected to participate in the Purchase Plan will not have funds withdrawn for purchases of Stapled Units previously scheduled to be made following the date of this announcement.

H&R is well capitalized and has a strong balance sheet with significant financial flexibility. Accordingly, the trustees of H&R REIT and management wish to assert greater control over when and on what terms H&R raises capital to fund its business. The trustees of H&R REIT and management particularly wish to avoid issuing equity at a price below net asset value per unit, something that can occur from time to time under the DRIP. The suspension of the DRIP is intended to preserve value and eliminate dilution.

About H&R REIT

H&R REIT is Canada’s largest diversified real estate investment trust with total assets of approximately \$14.6 billion at December 31, 2017. 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 45 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. \$223.9 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 reinstatement of the DRIP or Purchase Plan in the future. 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.

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