



H&R REIT CLOSES PREVIOUSLY ANNOUNCED SALE OF THE ATRIUM

Toronto, Ontario June 6, 2019 - H&R Real Estate Investment Trust ("H&R") (TSX: HR.UN) is pleased to announce that it has closed the sale of The Atrium for \$640 million. The sale price equates to a 4.56% capitalization rate on the next twelve months forecasted property operating income.

The Atrium sale demonstrates H&R's commitment to its industry-leading balance sheet and BBB+ credit rating, as well as the capital discipline to prioritize investment opportunities and recycle capital. At March 31, 2019, H&R had \$536.8 million of properties under development, and multiple additional higher-return development, redevelopment and intensification opportunities embedded in its portfolio.

H&R purchased The Atrium for \$344.8 million in 2011 and since the acquisition, has increased annual net operating income by \$6.5 million, creating substantial value for unitholders. The Atrium's IFRS value as at March 31, 2019 was \$600 million. The sale price for The Atrium was approximately \$295 million higher than its original purchase price and management expects to record a gain of approximately \$40 million, before closing costs, relative to its IFRS value.

The Atrium was unencumbered at the time of the sale. H&R has provided the purchaser with a vendor take-back (VTB) mortgage of \$256 million, bearing interest at an annual rate of 4.56% and maturing on January 2, 2020. H&R intends to use the proceeds to repay approximately \$230 million of debt outstanding under its revolving credit facilities and also repay the Series M debentures, totalling \$150 million, when the debentures mature on July 23, 2019.

About H&R REIT

H&R REIT is one of Canada's largest real estate investment trusts with total assets of approximately \$14.5 billion at March 31, 2019. H&R REIT has ownership interests in a North American portfolio of high quality office, retail, industrial and residential properties comprising over 43 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, the use of proceeds from the sale of The Atrium, H&R's expected gain relative to The Atrium's IFRS value and H&R's higher-return development, redevelopment and intensification opportunities. 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 www.hr-reit.com and on www.sedar.com.

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