

**U.S. Withholding Tax Treatment of Distributions by H & R Real Estate Investment Trust
to certain Unitholders**

The withholding tax treatment of distributions to certain unitholders is summarized in the table below. The table does not constitute a comprehensive description of the U.S. federal income tax treatment of distributions by H & R Real Estate Investment Trust to non-resident unitholders. Accordingly, unitholders should consult with their own tax advisers regarding such treatment.

H&R Real Estate Investment Trust			
Nature of distributions	Canadian residents	U.S. residents	Other non-residents
Canadian ordinary income	Exempt from withholding tax	Withholding tax applies at the rate of 28% if no W9 form is received.	Exempt from withholding tax
Canadian taxable capital gains	Exempt from withholding tax	Withholding tax applies at the rate of 28% if no W9 form is received.	Exempt from withholding tax
Foreign non-business income	Exempt from withholding tax	Withholding tax applies at the rate of 28% if no W9 form is received.	Exempt from withholding tax
Return of capital	Exempt from withholding tax	Withholding tax applies at the rate of 28% if no W9 form is received.	Exempt from withholding tax