



H&R Real Estate Investment Trust Announces Completion of Previously Announced Unwinding of H&R Finance Trust and the Stapled Unit Structure and Declares September 2018 Distribution

Toronto, Canada (August 31, 2018) – H&R Real Estate Investment Trust (“**H&R REIT**” or “**H&R**”) (TSX: HR.UN) has announced today that it has completed the previously announced amended internal reorganization (the “**Amended Reorganization**”).

As a result of the Amended Reorganization the Stapled Unit structure of H&R REIT and H&R Finance Trust has been unwound. Unitholders now only hold units of H&R REIT to reflect their investments. The units of H&R REIT will trade on the TSX under the ticker symbol “HR.UN”, the same ticker symbol that had been used for the Stapled Units. The Amended Reorganization is expected to occur without adverse tax consequences to Unitholders resident in Canada. In addition, Unitholders resident in the United States will benefit from reduced rates of Canadian withholding tax on their future distributions from H&R REIT. Following the Amended Reorganization, H&R REIT will be more comparable to other Canadian real estate investment trusts due to this simplified structure.

Registered unitholders will be mailed a letter of transmittal instructing them to surrender their certificate(s) representing Stapled Units for replacement certificate(s) representing units of H&R REIT. Such registered unitholders should complete the letter of transmittal and return it, along with the certificate(s) representing the Stapled Units, to AST Trust Company (Canada), the depositary for the Amended Reorganization, in accordance with the instructions set forth in the letter of transmittal. The letter of transmittal will also be available on SEDAR at www.sedar.com and can be obtained by contacting AST Trust Company (Canada) toll free at 1-888-433-6443 or via e-mail to fulfilment@astfinancial.com.

Monthly Distribution Declared

Following implementation of the Amended Reorganization, H&R REIT today declared a distribution for the month of September scheduled as follows:

	Distribution per Unit	Annualized	Record date	Distribution date
September 2018	\$0.11500	\$1.38	September 14, 2018	September 28, 2018

About H&R REIT

H&R REIT is one of Canada’s largest fully internalized real estate investment trusts with total assets of approximately \$14.2 billion at June 30, 2018. H&R REIT has ownership interests in a North American portfolio of high quality office, retail, industrial and residential properties comprising over 41 million square feet.

Forward-looking Statements

Certain statements in this news release contain forward-looking statements within the meaning of applicable securities laws (also known as forward-looking statements). These forward-looking statements include, but are not limited to the H&R’s plans, objectives, expectations and intentions, including the expected trading of H&R’s units and H&R’s expectations regarding the tax consequences and benefits to Unitholders as a result of the Amended Reorganization. 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 set forth 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 REIT (416) 635-7520, or email info@hr-reit.com.

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