



H&R REIT Provides Update on Property Sales Further Advancing its Strategic Repositioning Plan

Toronto, Ontario, April 16, 2024 - H&R Real Estate Investment Trust (“H&R” or “the REIT”) (TSX: HR.UN) is pleased to announce it has closed the previously announced sale of 25 Dockside Drive, located directly on the waterfront in downtown Toronto, for \$232.5 million.

During Q1 2024, H&R sold its 50% ownership interest in four non-core industrial properties for gross proceeds of approximately \$17.2 million and sold two U.S. automotive-tenanted properties for U.S. \$7.7 million. H&R has also entered into agreements to sell its 50% interest in one Canadian industrial property and one U.S. industrial property. Gross proceeds from the Canadian industrial property sale is expected to be \$60.7 million, at H&R’s ownership interest, and closing is expected to occur in Q3 2024. Gross proceeds from the U.S. industrial sale is expected to be U.S. \$6.3 million and closing is expected to occur in Q2 2024.

H&R is also pleased to announce that it has entered into an agreement to sell its 50% ownership interest in 3777/3791 Kingsway, Burnaby, BC (the “Kingsway Property”) for \$82.5 million to Crestpoint Real Estate Investments Ltd. (“Crestpoint”), the current co-owner of the Property. The Kingsway Property comprises 671,555 square feet of office space. The sale is expected to close in May 2024 and is subject to customary closing conditions.

- The Kingsway Property was valued at approximately \$81.4 million as at December 31, 2023.
- 2024 net operating income from the Kingsway Property (at H&R’s ownership interest) was only expected to be approximately \$3.7M.
- The Kingsway Property is encumbered by a \$25.1 million mortgage (at H&R’s ownership interest). Crestpoint will be assuming this as part of the transaction.

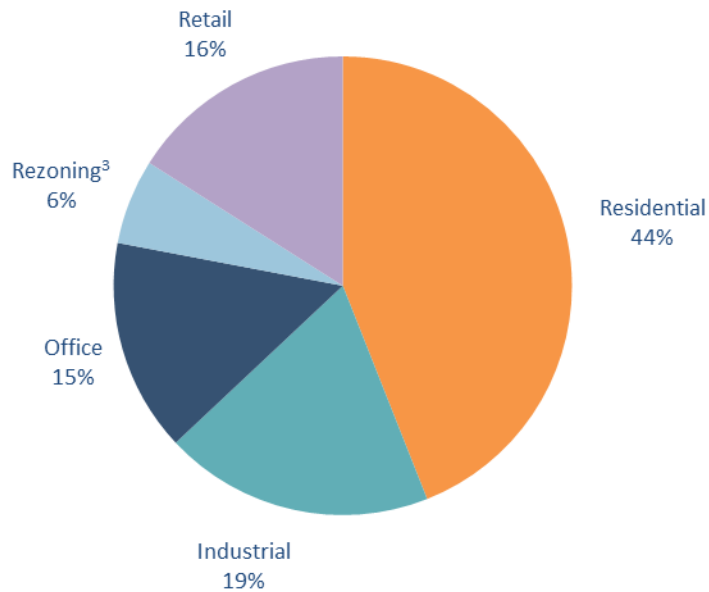
Gross proceeds from properties sold or under agreement to be sold in 2024 total approximately \$411.7 million. Proceeds will be used to repay debt and for general corporate purposes.

“Given the considerable headwinds in the public and private real estate markets, we are very pleased to have completed the sale of 25 Dockside Drive and agreed to sell our interest in the 3777/3791 Kingsway,” said Tom Hofstedter, Executive Chairman and CEO. “These office sales further our strategic repositioning plan and moves H&R REIT closer to achieving our portfolio simplification strategy goals. We continue to execute our plan with discipline by transacting when we can surface fair value for our unitholders.”

Proforma Real Estate Assets

H&R's proforma December 31, 2023 Real Estate Assets at the REIT's proportionate share¹, adjusted for the sale of 25 Dockside Drive, the sales made in Q1 2024 and the currently pending sales of the properties under agreements to be sold is as follows:

Proforma Real Estate Assets as at December 31, 2023^{1,2}



⁽¹⁾ The REIT's proportionate share is non-GAAP measure. Refer to the "Non-GAAP Measures" section of this news release.

⁽²⁾ Excludes the Bow and 100 Wynford, as these properties were legally sold in October 2021 and August 2022, respectively.

⁽³⁾ Includes six properties advancing through the rezoning and intensification process to be converted into predominantly residential properties.

About H&R REIT

H&R REIT is one of Canada's largest real estate investment trusts with total assets of approximately \$10.8 billion as at December 31, 2023. H&R REIT has ownership interests in a North American portfolio comprised of high-quality residential, industrial, office and retail properties comprising over 26.9 million square feet. H&R's strategy is to create a simplified, growth-oriented business focused on residential and industrial properties in order to create sustainable long term value for unitholders. H&R plans to sell its office and retail properties as market conditions permit. H&R's target is to be a leading owner, operator and developer of residential and industrial properties, creating value through redevelopment and greenfield development in prime locations within Toronto, Montreal, Vancouver, and high growth U.S. sunbelt and gateway cities.

Forward-Looking Disclaimer

Certain information in this news release contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements relating to H&R's objectives, beliefs, plans, estimates, targets, projections and intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts including, with respect to the REIT's proforma real asset mix, and the timing of closing and the use of proceeds from property sales, including the sale of the Kingsway Property. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect H&R's current beliefs and are based on information currently available to management.

Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and are based on H&R's estimates and assumptions that are subject to risks, uncertainties and other factors including those risks and uncertainties discussed in H&R's materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results, performance or achievements of H&R to differ materially from the forward-looking statements contained in this news release. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include assumptions relating to the general economy, including the effects of increased inflation; the debt markets continuing to provide access to capital at a reasonable cost, notwithstanding rising interest rates; and assumptions concerning currency exchange and interest rates. Additional risks and uncertainties include, among other things, risks related to: real property ownership; current economic environment; credit risk and tenant concentration; lease rollover risk; interest rates and other debt-related risks; development risks; residential rental risk; capital expenditure risk; currency risk; liquidity risk; risks associated with disease outbreaks; cyber security risk; financing credit risk; ESG and climate change risk; coownership interest in properties; general uninsured losses; joint arrangements and investment risk; dependence on key personnel and succession planning; potential acquisition, investment and disposition opportunities and joint venture arrangements; potential undisclosed liabilities associated with acquisitions; competition for real property investments; and potential conflicts of interest; unit-price risk; availability of cash for distributions; credit ratings; ability to access capital markets; tax risk; additional tax risks applicable to unitholders; dilution; unitholder liability; redemption right risk; investment eligibility; risks relating to debentures; and statutory remedies. H&R cautions that these lists of factors, risks and uncertainties are not exhaustive. 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.

Readers are also urged to examine H&R's materials filed with the Canadian securities regulatory authorities from time to time as they may contain discussions on risks and uncertainties which could cause the actual results and performance of H&R to differ materially from the forward-looking statements contained in this news release. 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 Canadian law, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

Non-GAAP measures

The audited consolidated financial statements of the REIT and related notes for the three months and year ended December 31, 2023 (the "REIT's Financial Statements") were prepared in accordance with International Financial Reporting Standards ("IFRS"). However, H&R's management uses a number of measures, including the REIT's proportionate share, which do not have meanings recognized or standardized under IFRS or GAAP. These non-GAAP measures and non-GAAP ratios should not be construed as

alternatives to financial measures calculated in accordance with GAAP. Further, H&R's method of calculating these supplemental non-GAAP measures and ratios may differ from the methods of other real estate investment trusts or other issuers, and accordingly may not be comparable. H&R uses these measures to better assess H&R's underlying performance and provides these additional measures so that investors may do the same.

For information on the most directly comparable GAAP measures, composition of the measures, a description of how the REIT uses these measures and an explanation of how these measures provide useful information to investors, refer to the "Non-GAAP Measures" section of the REIT's management's discussion and analysis as at and for the three months and year ended December 31, 2023 available at www.hr-reit.com and on the REIT's profile on SEDAR at www.sedarplus.com, which is incorporated by reference into this news release.

For further information

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Additional information regarding H&R is available at www.hr-reit.com and on www.sedarplus.com