



Northern Property REIT to Create \$3 Billion National Multi-Family REIT through Acquisition of True North Apartment REIT and \$535MM Multi-Family Portfolio from Starlight Investments Ltd.

Highlights

- **Creation of a national platform for both NPR and True North unitholders with significant scale and portfolio diversification**
- **NPR to be renamed Northview Apartment Real Estate Investment Trust and listed on the TSX under the proposed symbol NVU.UN**
- **Northview portfolio to consist of approximately 25,000 residential suites across Canada**
- **The transactions have received unanimous approval from the Boards of Trustees of both NPR and True North**

Calgary, AB and Toronto, ON – August 10, 2015 – Northern Property Real Estate Investment Trust (“NPR”)(TSX:NPR.UN) and True North Apartment Real Estate Investment Trust (“True North”)(TSX:TN.UN, TN.DB) today announced the creation of Canada’s third-largest publicly-traded multi-family REIT. NPR will acquire True North through a plan of arrangement whereby True North unitholders will receive 0.3908 NPR trust units for each of their True North trust units, representing a premium of 16.4% over the closing price of True North units on Friday, August 7 (the “Arrangement”). In addition, NPR has agreed to acquire a 4,650 suite, multi-family portfolio from Starlight Investments Ltd. (“Starlight”) as well as from a joint venture between the Public Sector Pension Investment Board (“PSP Investments”) and Starlight (collectively, the “Institutional Portfolio”) for an aggregate purchase price of \$535 million to be satisfied by the payment of cash, the assumption of debt, and the issuance of NPR trust units and class B limited partnership units (“Class B LP Units”), which are economically equivalent to and exchangeable for trust units of NPR. As part of the transactions, NPR will change its name to Northview Apartment Real Estate Investment Trust (“Northview”) to reflect the new national character of Northview’s portfolio and its future growth strategy.

Benefits of the Transactions

- **Creation of a National Platform:** With a portfolio of approximately 25,000 residential suites (including executives) located across eight provinces and two territories, and an expected enterprise value in excess

of \$3 billion, Northview will be the third-largest publicly-traded multi-family REIT in Canada. Northview will benefit from a nationwide asset and property management platform with approximately 800 employees operating out of its head office in Calgary and regional offices across Canada.

- **Portfolio Diversification:** Northview's property portfolio will be diversified across more than 60 Canadian markets, including the Greater Toronto Area and Montreal, further enhancing financial stability for unitholders of both NPR and True North. Northview will continue to enjoy a significant presence in some of NPR's traditional northern Canadian markets, including Yellowknife and Iqaluit, which are expected to continue to provide strong returns. While Northview's geographic diversification should reduce volatility in performance, Northview will also be well-positioned to take advantage of a recovery in resource-oriented markets.
- **Enhanced Access to Capital and Greater Unitholder Liquidity:** Northview is expected to have a market capitalization of approximately \$1.2 billion, which should broaden and deepen its access to capital, provide unitholders of both REITs with increased market trading liquidity, and over time, reduce Northview's cost of capital. These benefits should significantly bolster Northview's competitiveness in future investment activities.
- **Strong Internal Management Team:** Led by Mr. Todd Cook as President and Chief Executive Officer and Mr. Leslie Veiner as Chief Operating Officer, Northview will have one of the most experienced and capable management teams among publicly-traded REITs in Canada. Northview will also benefit from continuity in the oversight of the True North portfolio and the Institutional Portfolio, through a transitional service agreement with Starlight, a company controlled by Mr. Daniel Drimmer, Chairman of True North.
- **New Investor Relationship:** Through the ownership of trust units and Class B LP Units, Mr. Drimmer will become Northview's largest unitholder with an approximate 14.5% effective interest. Together with his board nomination rights and the transitional service agreement through Starlight, Mr. Drimmer will make an important contribution to the future success of Northview. In addition, through Starlight's extensive market presence and investment activities, Northview is expected to have access to acquisition opportunities not generally available, of which the acquisition of the Institutional Portfolio from Starlight announced in this news release is an example.
- **Significant Opportunities for Future Growth:** With its national presence, Northview is expected to have access to additional acquisition and development opportunities. Further, greater diversification and scale will enable Northview to make substantial value-add investments in existing properties without materially impacting short-term financial performance.

Mr. Cook, President and CEO of NPR commented "We are excited about creating a leading multi-family Canadian REIT. Northview's national platform and diverse portfolio will provide unitholders of both NPR and True North with a unique opportunity to build a great Canadian business. This transformative transaction builds upon the solid financial results released by NPR last week and will provide NPR unitholders with improved access to capital and opportunities for growth outside our traditional mid-market communities."

“This acquisition immediately creates value for True North unitholders and accelerates our goal of creating scale,” said Mr. Veiner, President and Chief Executive Officer of True North. “Over the long-term, this transformative transaction will benefit our unitholders through enhanced access to capital which, along with reduced leverage and a lower payout ratio, will result in increased financial stability.”

Summary Transaction Terms

Under the terms of the Arrangement, each True North unitholder will receive 0.3908 units of NPR per True North unit. Based on the closing price of NPR trust units and True North trust units on the Toronto Stock Exchange (“TSX”) on Friday, August 7, 2015, the consideration is valued at \$9.00 per True North trust unit, representing a 16.4% premium. The Arrangement will occur on an income tax deferred basis for Canadian residents.

The Institutional Portfolio is being acquired for \$535 million at a going-in capitalization rate of 5.5% and comprises 33 properties with a total of 4,650 residential suites located in Ontario, New Brunswick and Nova Scotia. The purchase price for the Institutional Portfolio will be satisfied by a combination of \$316 million in cash, \$49 million of assumed mortgages, the issuance to the vendors of approximately 5.1 million trust units of NPR valued at a \$23.03 per trust unit, and the issuance to the vendors of approximately 2.3 million of Class B LP Units valued at \$23.03 per Class B LP Unit. NPR has obtained a fully-committed \$325 million bridge facility from Scotiabank and Canadian Imperial Bank of Commerce to fund the cash portion of the Institutional Portfolio purchase price, and intends to replace this financing with long-term mortgages on the Institutional Portfolio properties over time. Following the completion of the transactions, PSP Investments will hold an approximate 9.8% interest in Northview.

“This is an exciting opportunity as these transactions enable True North unitholders to invest in a REIT with a size and scale that would have taken significantly longer to achieve organically,” said Mr. Drimmer. “The consolidation of these complimentary portfolios under a strong management team will better position Northview to create long term value for unitholders. As was the case for True North, Northview will have access to Starlight’s property pipeline and expansive network of real estate professionals identifying attractive on and off-market acquisition opportunities in Northview’s diverse markets.”

Board Recommendations

True North's Board of Trustees, based on the recommendation of a special committee of independent trustees, has determined that the consideration to be received by True North unitholders pursuant to the Arrangement is fair, from a financial point of view, that the Arrangement is in the best interests of True North and has recommended that True North unitholders vote in favour of the Arrangement. True North’s special committee has received an opinion from its financial advisor, CIBC World Markets Inc., that, as of the date thereof and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by unitholders of True North (other than Mr. Drimmer and his affiliates) pursuant to the Arrangement is fair, from a financial point of view, to unitholders of True North (other than Mr. Drimmer and his affiliates).

NPR's Board of Trustees has determined that the Arrangement and Institutional Portfolio acquisition is in the best interests of NPR and has recommended that NPR unitholders vote in favour of the transactions. NPR's Board of Trustees has received opinions from each of its financial advisors, Scotiabank and Salman Partners Inc. that, as of the dates thereof and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be paid by NPR under the transactions is fair, from a financial point of view, to unitholders of NPR.

In addition, each of the Trustees and executive officers of True North, including Mr. Drimmer and certain of his associates, who collectively hold approximately 41.9% of True North's outstanding voting units, have agreed to vote their units in favour of the Arrangement. Similarly, each of the Trustees and executive officers of NPR, who collectively hold approximately 0.5% of NPR's outstanding trust units, have agreed to vote their trust units in favour of the transactions.

Governance and Management

Mr. Cook will serve as President and Chief Executive Officer of Northview, and Mr. Veiner will join Northview as Chief Operating Officer, bringing significant industry experience in the central Canadian market and continuity to management of the True North portfolio.

"The addition of Leslie to our management team brings significant experience in our sector, along with the continuity of management for both True North and the Institutional Portfolio required to integrate the operations seamlessly, and leaves us with one of the strongest teams in the REIT sector poised to capitalize on future opportunities." added Mr. Cook.

In connection with the closing of the transactions, Starlight will enter into a transitional service agreement with Northview to provide certain support services with respect to the newly acquired properties located in Ontario, Quebec, New Brunswick and Nova Scotia. Under the terms of this agreement, Northview will pay an annual service fee of 0.125% of the value of the properties acquired in those provinces for a period of three years, with two one-year extension options in favour of Northview. This transitional service agreement may be terminated early by Northview in respect of the New Brunswick and Nova Scotia properties after two years. The service fee in the first year following completion of the transactions is expected to be approximately \$1.6 million. The agreement also contemplates a fee payable by Northview in the event that it acquires properties sourced by Starlight (including those acquired as part of the Institutional Portfolio), other than those which are wholly-owned by Starlight.

Following the completion of the transactions, the Northview Board of Trustees will be comprised of ten members. Pursuant to an agreement to be entered into between Northview and Mr. Drimmer, Mr. Drimmer will have the right to nominate two Trustees to the Board of Northview, one of whom must be independent pursuant to Canadian securities laws. Upon closing, Mr. Drimmer and Mr. Graham Rosenberg will join the Northview Board along with NPR's existing Trustees, with Mr. Douglas H. Mitchell continuing to serve as Chairman of the Board.

Northview Property Portfolio

Northview will own 24,323 multi-family residential suites, 419 executives and hotel rooms and 1.2 million square feet of commercial space located across eight provinces and two territories.

	Multi-Family	Execusuites & Hotel	Total Residential (units)	Commercial (sq. ft.)	% of Multi-Family
ON	8,235	-	8,235	-	34%
AB	3,795	-	3,795	83,000	16%
BC	2,975	-	2,975	86,000	12%
QC	2,285	-	2,285	-	9%
NL	1,728	142	1,870	225,000	7%
NT	1,329	160	1,489	537,000	5%
NS	1,288	-	1,288	-	5%
NB	1,163	-	1,163	-	5%
NU	1,096	117	1,213	243,000	5%
SK	429	-	429	-	2%
Total	24,323	419	24,742	1,174,000	100%

The pro forma occupancy level of the combined multi-family portfolio is 93.4%.

Northview expects that approximately 50% of its Net Operating Income will be generated in central and Eastern Canada, approximately 30% in Western Canada, and approximately 20% in Northern Canada.

Financial Impact of the Transactions

The transactions are expected to result in a run-rate FFO per unit that is consistent with management's 2015 expectations for NPR of between \$2.38 and \$2.43 per unit. Over time, the transactions should become accretive upon achievement of operating synergies through the integration of the portfolios being acquired.

Northview's distributions are expected to be at NPR's current distribution level of \$1.63 per unit on an annual basis or \$0.1358 monthly. The FFO distribution payout ratio target is expected to be approximately 70%.

Mr. Robert Palmer, Chief Financial Officer of NPR said, "We are taking advantage of NPR's balance sheet strength and considerable unutilized leverage capacity for the purposes of this unique opportunity. On a pro-forma basis, as at March 31, 2015 our Debt to Gross Book Value will be 59%, a level at which we are comfortable, with strong coverage ratios that are among the best in the Canadian REIT market."

Mr. Cook commented "We are very pleased to be able to announce these transformative transactions while maintaining current FFO levels, payout ratios and conservative balance sheet and financial metrics. Looking forward, Northview will be in a strong position to continue to execute on business plan initiatives and take advantage of opportunities for growth in the future."

Net Operating Income, FFO, and Debt/Gross Book Value are non-GAAP measure. See "Non-GAAP and Additional GAAP Measures" below.

Details of the Arrangement

The Arrangement will be subject to the approval of at least 66 2/3% of the votes cast at a special meeting of True North unitholders, and subject to the approval of a majority of the votes cast at such meeting, other than votes controlled by Mr. Drimmer. In addition, the transactions will also be subject to the approval of a 50.1% majority of votes cast at a special meeting of NPR unitholders.

It is expected that each of True North and NPR will prepare and mail meeting circulars to their respective unitholders within the next few weeks, and that the special unitholder meetings will be held in mid-October. The transaction is expected to close in October 2015, and in no event later than December 15, 2015. Unitholders are encouraged to review the detailed information contained in the meeting circulars concerning the transactions.

The Arrangement is subject to regulatory approvals (including under the *Competition Act* (Canada) and by the TSX), approval of the Court of Queen's Bench of Alberta, as well being subject to the receipt of certain third party consents and the satisfaction or waiver of other customary closing conditions, all as shall be more particularly set forth in the meeting circulars.

The Arrangement provides for, among other things, customary reciprocal board support and non-solicitation covenants, with "fiduciary out" provisions that allow each party to accept a superior proposal in certain circumstances and a five business day "right to match period" in favour of the other party. The Arrangement also provides for a reciprocal termination fee of \$10.5 million if the Arrangement is terminated in certain specified circumstances and a reimbursement of expenses, up to a maximum of \$2 million, if the Arrangement is terminated in other certain specified circumstances.

Prior to closing, holders of True North's convertible unsecured subordinated debentures may convert their debentures in accordance with their terms and participate in the Arrangement on the same basis as other True North unitholders. Any True North convertible debentures outstanding at the time of closing of the Arrangement will be assumed by Northview, and following closing, holders of the convertible debentures will be entitled to receive trust units of Northview upon conversion based on the exchange ratio contemplated by the Arrangement. Important details regarding the terms of True North's convertible debentures are set out in the indenture governing such debentures, which has been publicly filed under True North's profile at www.sedar.com. Holders of convertible debentures are encouraged to read the full text of the indenture.

Upon completion of the Arrangement, True North's class B limited partnership units, which currently are exchangeable for trust units of True North, will become exchangeable for trust units of Northview pursuant to an exchange agreement based on the exchange ratio contemplated by the Arrangement.

Institutional Portfolio Acquisition

The following table highlights certain information about the Institutional Portfolio properties, including occupancy levels and average monthly rent per residential suite, which is set out as at June 2015:

Property	City	Year Built / Renovated	Suites	Occupancy	AMR
Ontario					
59 Concession St	Cambridge	1973	131	100.0%	\$1,047
39 Willow Rd	Guelph	1970	80	100.0%	\$887
351 Eramosa Rd	Guelph	1970	55	100.0%	\$901
111-187 Brybeck Cres	Kitchener	1981 - 1987	282	91.1%	\$892
Traynor & Vanier	Kitchener	1972-1974	279	99.6%	\$864
545, 547 & 565 Belmont Ave	Kitchener	1978 - 1984	279	87.5%	\$1,091
100-170 Old Carriage Dr	Kitchener	1987 - 1988	216	97.2%	\$1,091
6, 16, 32 & 88 Brybeck Cres	Kitchener	1969 - 1971	98	93.9%	\$859
297 & 301 Base Line Rd	London	1972 - 1973	331	96.1%	\$764
165 Ontario St	St. Catharines	1963	157	91.7%	\$797
53 First Ave	Orangeville	1988	29	96.6%	\$1,023
124 Park Rd N	Oshawa	1964	65	96.9%	\$1,169
100 Dundas St	Mississauga	1968	169	97.6%	\$1,160
120 Dundas St	Mississauga	1968	155	92.3%	\$1,228
60 Exeter Rd	Ajax	1966	96	99.0%	\$1,304
19 Rosemount Dr	Toronto	1960	71	100.0%	\$1,076
252 King St E	Bowmanville	1965	52	100.0%	\$1,068
1-4 Balmoral Pl	Brockville	1972	158	98.7%	\$857
Beaverbrook & Varley	Kanata	1968 - 1969	196	100.0%	\$1,319
53 Adelaide St N	Lindsay	1974	76	100.0%	\$1,114
1001 Talwood Dr	Peterborough	1974	124	94.4%	\$991
700 Parkhill Pl	Peterborough	1976	128	99.2%	\$987
1200 Talwood Dr	Peterborough	1974	115	89.6%	\$973
1189 Talwood Crt	Peterborough	1976	103	100.0%	\$1,120
Nova Scotia					
36, 60, 65 & 81 Primrose St	Dartmouth	1969 - 1972	242	91.3%	\$648
15, 25 & 35 Leaman Dr	Dartmouth	1965-1968	161	99.4%	\$654
Nivens, Middle & Farrell	Dartmouth	1960 - 1970	107	95.3%	\$650
175 Albro Lake Rd	Dartmouth	1968	50	98.0%	\$667
New Brunswick					
378 & 380 Gauvin Rd	Dieppe	2002 - 2003	109	96.3%	\$750
100 Rue du Marche	Dieppe	2008	69	98.6%	\$898
Essex, Caissie, Pascal, Rachel	Moncton	1989 - 2008	273	96.0%	\$735
112 & 114 Murphy Ave	Moncton	2001	102	96.1%	\$786
Elmwood and Drummond	Moncton	1986 - 1990	92	97.8%	\$720
Total			4,650	95.9%	\$927

Conference Call

NPR and True North will host an investor conference call and webcast on Monday August 10, 2015 at 11am EDT. Senior management of NPR and True North will be available to discuss the details of the transactions. An investor presentation will be made available on the NPR and True North respective websites immediately prior to the call (please visit: www.npreit.com or www.truenorthreit.com).

Teleconference:

The telephone numbers for the conference are toll-free 1-888-231-8191 and 647-427-7450.

Note: Please provide the operator with the below Conference Call ID or Topic when dialing in to the call.

Conference ID: 9509220

Topic: Northern Property REIT's Announcement of Transactions

Webcast:

Investors will be able to listen to the call and view the slide presentation over the Internet by visiting <http://event.on24.com/r.htm?e=1033753&s=1&k=7113C7C87AFBE59E97A70B800F3F94EE>

Advisors

Scotiabank is acting as financial advisor to NPR. Scotiabank and Salman Partners Inc. provided fairness opinions to the NPR Board of Trustees in connection with the transactions. CIBC World Markets Inc. is acting as financial advisor to True North and provided a fairness opinion to the Special Committee of the Board of Trustees of True North in connection with the transactions. Borden Ladner Gervais LLP is acting as legal counsel to NPR and Cassels Brock & Blackwell LLP is acting as legal counsel to True North. Bloom Lanys Professional Corporation is acting as legal counsel to Starlight.

About Northern Property REIT

NPR is primarily a multi-family residential real estate investor, providing a broad spectrum of rental accommodations across Canada. NPR focuses on communities with strong economic fundamentals where capitalization rates are generally higher and competition is somewhat restrained. NPR's residential portfolio is comprised of a multi-family segment: apartments, town homes and single family rental units; and executives and hotel where the rental period ranges from a few days to several months. NPR also has a portfolio of commercial buildings focused on government and quality corporate tenancies predominantly located in the Northwest Territories, Nunavut, and Newfoundland and Labrador. Geographically, NPR operates in Alberta, British Columbia, Newfoundland and Labrador, the Northwest Territories, Nunavut, Québec, and Saskatchewan. NPR is traded on the TSX under the ticker symbol: NPR.UN. Additional information concerning NPR is available at www.sedar.com or the REIT's website at www.npreit.com.

About True North Apartment REIT

True North is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The REIT focuses on a long-term strategy to generate stable cash distributions on a tax-efficient basis for unitholders. The REIT actively looks for opportunities to expand its asset base and increase its distributable cash flow through acquisitions of additional multi-suite residential rental properties across Canada, the United States, and other jurisdictions where opportunities may arise. True North is traded on the TSX under the ticker symbol: TN.UN. The True North convertible unsecured subordinated debentures are traded on the TSX under the ticker symbol TN.DB. Additional information concerning True North is available at www.sedar.com or the REIT's website at www.truenorthreit.com.

Non-GAAP and Additional GAAP Measures

Certain measures contained in this news release do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS") and, therefore, are considered non-GAAP measures. These measures are provided to enhance the reader's overall understanding of financial conditions. They are included to provide investors and management with an alternative method for assessing operating results in a manner that is focused on the performance of operations and to provide a more consistent basis for comparison between periods. These measures include widely accepted measures of performance for Canadian real estate investment trusts; however, the measures are not defined by IFRS. In addition, these measures are subject to the interpretation of definitions by the preparers of financial statements and may not be applied consistently between real estate entities. Please refer to NPR's and True North's second quarter 2015 Management's Discussion & Analysis for definitions of non-GAAP measures and additional GAAP measures, including NOI, FFO, and debt to gross book value.

Forward Looking Information

This press release contains forward looking statements that reflect current expectations of each of NPR and True North about their future results, performance, prospects and opportunities, including with respect to the closing, costs and benefits of the proposed transactions and other statements that are not historical facts.

The timing and completion of the proposed transactions are subject to customary closing conditions, termination rights and other risks and uncertainties including, without limitation, required regulatory, court, and unitholder approvals. Accordingly, there can be no assurance that the proposed transactions will occur, or that they will occur on the timetable or on the terms and conditions contemplated in this news release. The proposed transactions could be modified, restructured or terminated.

Forward-looking statements are based on information available at the time they are made, underlying estimates and assumptions made by management and management's good faith belief with respect to future events, performance and results, and are subject to inherent risks and uncertainties surrounding future expectations generally, which could cause actual results to differ materially from what is currently expected. Such risks and uncertainties include, but are not limited to, risks associated with investment in and development of real property, competition, financing and refinancing risks, changes in economic conditions, changes in interest rates, changes in taxation rules, reliance on key personnel, environmental matters, tenant risks, fluctuations in commodity prices and other risk factors more particularly described in NPR's and True North's most recent Annual Information Forms available on SEDAR at www.sedar.com. Additional risks and uncertainties not presently known to NPR and True North or that NPR and True North currently believes to be less significant may also adversely affect NPR and True North.

Readers are cautioned not to place undue importance on forward-looking information. NPR and True North disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

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