



**TRUE NORTH COMMERCIAL REAL ESTATE INVESTMENT TRUST  
COMPLETES PREVIOUSLY ANNOUNCED  
TRANSFORMATIVE ACQUISITIONS**

**/NOT FOR DISTRIBUTION IN THE U.S. OR OVER U.S. NEWSWIRES/**

TORONTO, December 19, 2014 – True North Commercial Real Estate Investment Trust (the “**REIT**”) (TSX: TNT.UN) is pleased to report that it has closed the previously announced acquisitions of ten office properties (collectively, the “**Acquisition Properties**”) in two separate transactions from two arm’s length vendors for an aggregate purchase price of approximately \$60.8 million (collectively, the “**Acquisitions**”). The Acquisitions, together with the previously announced acquisition of 777 Brock Road in Pickering, Ontario (the “**Brock Road Property**”) are immediately accretive to the REIT’s funds from operations (“**FFO**”) per trust unit of the REIT (“**Unit**”) and adjusted funds from operations (“**AFFO**”) per Unit. The Acquisitions will improve the REIT’s FFO and AFFO payout ratios.

“The closing of these Acquisitions represents an important milestone for the REIT,” said Daniel Drimmer, the REIT’s President, Chief Executive Officer and Chairman of the Board. “We identified an opportunity to substantially increase the scale of the REIT’s portfolio in the key Ontario market, while also improving our overall operating metrics. Equally important, we reinforced our unique market position by acquiring high quality buildings in strong secondary markets, predominantly tenanted with either government or credit-rated organizations. By executing on these core strategies, we continue to enhance the stability of the REIT’s cash flow.”

The Acquisition Properties are predominantly located in secondary Ontario markets and comprise a total of approximately 240,600 rentable square feet. Together, the Acquisition Properties and the Brock Road Property will increase the size of the REIT’s portfolio by 38% and increase the average remaining lease term of the REIT’s property portfolio from 4.2 to 4.9 years. Further, in line with the REIT’s unique value proposition, approximately 94.2% of gross revenues of the Acquisition Properties and Brock Road Property are generated from the Federal Government of Canada, the Provincial Government of Ontario and credit-rated tenants.

The \$83.4 million aggregate purchase price of the Acquisition Properties and the Brock Road Property represents an implied capitalization rate of 7.6%, and was satisfied by a combination of the following funding sources: i) approximately \$22.7 million in cash; ii) the issuance to the vendors of certain Acquisition Properties of 833,333 class B limited partnership units of True North Commercial Limited Partnership (“**Class B LP Units**”), at \$6.60 per Class B LP Unit representing in aggregate, approximately \$5.5 million; iii) the assumption of approximately \$17.4 million aggregate principal amount of existing mortgage debt; iv) approximately \$30.8 million aggregate principal amount of new mortgage financing; v) the issuance of vendor take-back mortgages in the aggregate amount of \$4.1 million in respect of certain Acquisition Properties; and vi) the issuance of a promissory note in the amount of \$2.9 million to a vendor of an Acquisition Property.

Additional details on the Acquisitions are set out in the REIT's Prospectus Supplement dated December 12, 2014, which is available on the REIT's profile at [www.sedar.com](http://www.sedar.com).

### **About the REIT**

The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario.

The REIT is focused on acquiring and operating commercial rental properties across Canada and such other jurisdictions where opportunities exist. Additional information concerning the REIT is available at [www.sedar.com](http://www.sedar.com).

### **Non-IFRS Financial Measures**

The REIT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). FFO per Unit, AFFO per Unit, and FFO and AFFO payout ratios, as well as other measures discussed elsewhere in this news release, do not have a standardized definition prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. The REIT uses non-IFRS measures to better assess the REIT's underlying performance and financial position and provides these additional measures so that investors may do the same. Details on non-IFRS measures are set out in the REIT's Management's Discussion and Analysis for the period ended September 30, 2014 and available on the REIT's profile at [www.sedar.com](http://www.sedar.com).

### **Forward-Looking Statements**

Certain statements contained in this news release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purposes of assisting the reader in understanding the REIT's financial position and results of operations as at and for the periods ended on certain dates and to present 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. Forward-looking information may relate to the REIT's future outlook and anticipated events, including financial or operating results, and may include statements regarding the financial position, business strategy, budgets, financing rates and costs, taxes and plans and objectives of or involving the REIT. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the REIT or the real estate industry are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements necessarily involve known and unknown risks and uncertainties, that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the REIT's control, affect the operations, performance and results of the REIT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, the risks discussed in the REIT's materials filed with Canadian securities regulatory authorities from time to time on [www.sedar.com](http://www.sedar.com). The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance that actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions, including management's perceptions of historical trends, current conditions and expected future developments that are believed to be appropriate in the circumstances, such as: the Canadian economy will remain stable over the next 12 months; inflation will remain relatively low; interest rates will remain

stable; conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate; the Canadian capital markets will continue to provide the REIT with access to equity and/or debt at reasonable rates when required; Starlight Investments Ltd. will continue its involvement as asset manager of the REIT in accordance with its current asset management agreement; and the risks identified or referenced above, collectively, will not have a material impact on the REIT. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking statements made in this news release are dated, and relate only to events or information, as of the date of this news release. Except as specifically required by law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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