



**True North Commercial Real Estate Investment Trust  
Continues Strategic Growth with Two Immediately  
Accretive Portfolio Enhancing Acquisitions**

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

TORONTO, July 31, 2014 /CNW/ - True North Commercial Real Estate Investment Trust (the “REIT”) (TSX: TNT.UN) is pleased to announce that it has closed its previously announced acquisitions (the “**Acquisitions**”) of an industrial property located at 63 Innovation Drive in Hamilton, Ontario (the “**Innovation Drive Property**”) and an office property located at 295 Belliveau Avenue in Shediac, New Brunswick (the “**Belliveau Property**”). The acquisitions are immediately accretive to the REIT’s Funds From Operations (“**FFO**”) and Adjusted Funds From Operations (“**AFFO**”) per trust unit.

“These acquisitions are consistent with our core strategies of acquiring properties that are well located in strong secondary markets and tenanted by government or credit-rated organizations,” said the REIT’s Chief Executive Officer and Chairman of the Board, Daniel Drimmer.

The Innovation Drive Property is a stand-alone, single tenant industrial building situated in Hamilton, Ontario with a total of 45,879 rentable square feet and 24 feet of clear height. Built in 2001 with an expansion in 2006, the property is 100% occupied by a global design and manufacturing company affiliated with a large international company traded on the NASDAQ Stock Exchange with an average lease term of 9.4 years. It is well situated with access to major arterial highways including Highway 403, the Queen Elizabeth Way and Highway 6.

The Belliveau Property is a stand-alone, four-storey office building with a total of 42,115 rentable square feet situated in Shediac, New Brunswick, in close proximity to the Greater Moncton International Airport and the TransCanada Highway. Built in 2006, with further improvements in 2007, the property is 100% occupied by the Federal Government of Canada providing for long-term visible credit-backed cash flow with an average lease term of 7.6 years. The purchase and sale agreement for the acquisition of the Belliveau Property, was entered into with D.D. Acquisitions Partnership, an entity controlled by Mr. Drimmer.

The aggregate purchase price for the Acquisitions of \$10.5 million was satisfied with first mortgage financing on each of the properties in the aggregate amount of approximately \$7.35 million, with a 3.91% interest rate for a 7-year term in respect of the Innovation Drive Property and a 3.43% interest rate for a 5-year term in respect of the Belliveau Property. The balance of the purchase price was satisfied through: (i) a private placement (the “**Private Placement**”) of 378,787 trust units of the REIT with D.D. Acquisitions Partnership, an entity controlled by Mr. Drimmer, at a price of \$6.60 per unit for aggregate gross proceeds of approximately \$2.5 million; (ii) a 3.0% interest only vendor take-back mortgage in the amount of \$750,000 in respect of the Innovation Drive Property, repayable at any time without penalty, and with a term of up to 9.5 years; and (iii) a drawdown of approximately \$370,000 from the REIT’s credit facility.

“With approximately 80% of the aggregate revenue from the aforementioned properties, attributable to government or credit-rated organizations, the Acquisitions demonstrate our ability to execute on the REIT’s growth strategy,” added Mr. Drimmer. “The Acquisitions complement our overall portfolio by strengthening our position in targeted secondary markets across Canada, while improving our cash flow, payout ratios and unitholder value.”

Following the Private Placement, Mr. Drimmer (together with his affiliates) holds an approximate 24.6% effective interest in the REIT.

### **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) or the REIT’s website at [www.truenorthreit.com](http://www.truenorthreit.com).

### **Non-IFRS measures**

The REIT’s consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“**IFRS**”). The following measures, FFO and AFFO as well as other measures discussed elsewhere in this 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 these measures to better assess the REIT’s underlying performance 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 three months ended March 31, 2014 and available on the REIT’s profile at [www.sedar.com](http://www.sedar.com).

### **Forward-Looking Statements**

Certain statements contained in this press 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 press release are dated, and relate only to events or information, as of the date of this press 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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