dream
industrial REIT

Q3 | 2019

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(All dollar amounts in our tables are presented in thousands of Canadian dollars, except for per square foot amounts, per Unit amounts, or unless otherwise stated.)

SECTION I

KEY PERFORMANCE INDICATORS

Performance is measured by these and other key indicators:

	As at	
	September 30, 2019	December 31, 2018
Total portfolio(1)		
Number of properties	**209**	223
Gross leasable area ("GLA") (in millions of sq. ft.)	**21.8**	20.2
Occupancy rate – in-place and committed (period-end)	**96.2%**	97.1%
Occupancy rate – in-place (period-end)	**95.8%**	95.7%
Average in-place and committed base rent per sq. ft. – Canada (period-end)	**$ 7.39**	$ 7.26
Average in-place and committed base rent per sq. ft. – U.S. (US$) (period-end)	**$ 3.85**	$ 3.93
Weighted average lease term ("WALT") (years)	**4.1**	4.1

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Operating results				
Net income (loss)	**$ (2,966)**	$ 29,960	**$ 72,790**	$ 91,073
Funds from operations ("FFO")(2)	**26,659**	22,749	**79,227**	64,106
Net rental income	**35,918**	28,726	**102,802**	84,092
Comparative properties net operating income ("NOI")(2)	**27,419**	25,760	**80,910**	77,338
Distributions				
Total distributions(2)	**$ 24,642**	$ 19,386	**$ 70,425**	$ 53,690
Per Unit amounts				
Distribution rate	**$ 0.17**	$ 0.17	**$ 0.52**	$ 0.52
FFO – diluted(2)(3)	**$ 0.19**	$ 0.21	**$ 0.60**	$ 0.64
FFO payout ratio – diluted(2)	**91.6%**	85.0%	**87.2%**	82.0%

	As at	
	September 30, 2019	December 31, 2018
Financing(4)		
Weighted average face interest rate on debt (period-end)(5)	**3.69%**	3.65%
Weighted average remaining term to maturity on debt (years)	**4.9**	4.4
Interest coverage ratio (times)(2)(6)	**3.8**	3.3
Level of debt (net debt-to-assets ratio)(2)	**31.4%**	43.5%
Net debt-to-adjusted EBITDAFV (years)(2)	**5.4**	7.2
Unencumbered assets(2)(6)	**$ 345,324**	$ 190,694
Available liquidity(2)	**$ 280,097**	$ 103,162
Capital		
Total number of Units (in thousands)(7)	**139,373**	110,615
Net asset value ("NAV") per Unit(2)	**$ 11.09**	$ 10.54

(1) Total portfolio excludes assets held for sale at the end of each period.

(2) FFO, comparative properties NOI, total distributions, diluted FFO per Unit, diluted FFO payout ratio, interest coverage ratio, level of debt (net debt-to-assets ratio), net debt-to-adjusted EBITDAFV, unencumbered assets, available liquidity and NAV per Unit are non-GAAP measures. See "Non-GAAP Measures and Other Disclosures" for a description of these non-GAAP measures.

(3) A description of the determination of diluted amounts per Unit can be found in the section "Non-GAAP Measures and Other Disclosures" under the heading "Weighted average number of Units".

(4) Financing metrics include assets and liabilities classified as held for sale and income (loss) from discontinued operations at the end of each period.

(5) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt.

(6) Interest coverage ratio and unencumbered assets (non-GAAP measures) have been restated in the comparative period to conform to current period presentation. For further details, please refer to the section “Non-GAAP Measures and Other Disclosures” under the headings “Interest coverage ratio” and “Unencumbered assets”.

(7) Total number of Units includes 18.6 million LP B Units which are classified as a liability under IFRS.

BASIS OF PRESENTATION

Our discussion and analysis of the financial position and results of operations of Dream Industrial Real Estate Investment Trust (“Dream Industrial REIT” or “the Trust”) should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018 and the condensed consolidated financial statements for the three and nine months ended September 30, 2019.

This management’s discussion and analysis (“MD&A”) is dated as at November 5, 2019.

For simplicity, throughout this discussion, we may make reference to the following:

- “REIT Units”, meaning units of the Trust, excluding Special Trust Units
- “LP B Units” and “subsidiary redeemable units”, meaning the Class B limited partnership units of Dream Industrial LP
- “Units”, meaning REIT Units and LP B Units

When we use terms such as “we”, “us” and “our”, we are referring to Dream Industrial REIT and its subsidiaries.

Estimated market rents disclosed throughout the MD&A are management’s estimates and are based on current period leasing fundamentals. The current estimated market rents are at a point in time and are subject to change based on future market conditions.

On June 30, 2019, the Trust classified all of the investment properties in the Eastern Canada region as assets held for sale. Subsequently, on July 31, 2019, the Trust completed the sale of the Eastern Canada portfolio. Given that the entire Eastern Canada region was included in assets held for sale and subsequently disposed of, the associated results of operations were presented separately as income (loss) from discontinued operations. Certain key performance indicators disclosed throughout the MD&A exclude the Eastern Canada region in the current period.

Certain information herein contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation, including but not limited to statements relating to the Trust’s objectives, strategies to achieve those objectives, the Trust’s beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth, results of operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, vacancy and leasing assumptions, litigation and the real estate industry in general – in each case they are not historical facts. Forward-looking statements generally can be identified by words such as “outlook”, “objective”, “strategy”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “could”, “likely”, “plan”, “project”, “budget” or “continue”, or similar expressions suggesting future outcomes or events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust’s control, which could cause actual results to differ materially from those disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, general and local economic and business conditions; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; our ability to source and complete accretive acquisitions; and interest rates.

Although the forward-looking statements contained in this MD&A are based on what we believe are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, general economic conditions; local real estate conditions, including the development of properties in close proximity to the Trust’s properties; timely leasing of vacant space and re-leasing of occupied space upon expiration; dependence on tenants’ financial condition; the uncertainties of acquisition activity; the ability to effectively integrate acquisitions; interest rates; availability of equity and debt financing; our continued compliance with the real estate investment trust (“REIT”) exemption under the specified investment flow-through trust (“SIFT”) legislation; and other risks and factors described from time to time in the documents filed by the Trust with securities regulators.

All forward-looking information is as of November 5, 2019. Dream Industrial REIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information about these assumptions, risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our website at www.dreamindustrialreit.ca.

BACKGROUND

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust which provides investors with the opportunity to invest in a pure-play industrial REIT with a portfolio based in Canada and the United States ("U.S."). Our REIT Units are listed on the Toronto Stock Exchange under the trading symbol "DIR.UN".

OUR OBJECTIVES

We are committed to:

- Managing our business to provide growing cash flow and stable and sustainable returns, through adapting our strategy and tactics to changes in the real estate industry and the economy;
- Building and maintaining a diversified, growth-oriented portfolio of industrial distribution and warehousing properties in major markets, based on an established platform;
- Providing predictable and sustainable cash distributions to unitholders while prudently managing our capital structure over time; and
- Maintaining a REIT that satisfies the REIT exception under the SIFT legislation in order to provide certainty to unitholders with respect to taxation of distributions.

OUR STRATEGY

Dream Industrial REIT is a growth-oriented owner of income-producing industrial properties across key markets in Canada and the U.S., providing stable and predictable distributions to unitholders on a tax-efficient basis. Our strategy is to grow our portfolio by investing in key markets to generate stable cash flows for our unitholders. We will continue to review and modify our strategy to meet the ever changing real estate and economic conditions. Our strategy includes:

Optimizing the performance, value and cash flow of our portfolio

We actively manage our assets to optimize performance, maintain value, attract and retain tenants and maximize cash flows to our unitholders. Dream Industrial REIT employs experienced staff in all markets where we are active. We strive to ensure that our assets are the most attractive and cost-effective premises for our tenants.

Maintaining and strengthening our conservative financial profile

We operate our business in a disciplined manner with a strong focus on maintaining a conservative financial structure. We actively manage our mortgage maturity profile, maintain a conservative debt ratio and generate cash flows sufficient to fund our distributions.

Growing and diversifying our portfolio to reduce risk

We seek to grow and diversify our portfolio to increase value on a per Unit basis, further improve the sustainability of our distributions, strengthen our tenant profile and mitigate risk. We anticipate that growing our portfolio will also reduce our cost of capital, allowing us to both refinance existing mortgages at competitive rates and increase our ability to competitively bid on acquisition opportunities. We have experience in each of Canada's key real estate markets, which we believe will provide us with the flexibility to pursue acquisitions in whichever Canadian markets offer compelling investment opportunities. Through an affiliate of PAULS Corp, LLC ("PAULS Corp") and the Trust's asset manager, Dream Asset Management Corporation, the Trust has access to the U.S. market and PAULS Corp's operational platform in the U.S.

Seeking accretive growth opportunities

Dream Industrial REIT seeks to invest in desirable, highly functional properties located in major industrial centres that are well leased on a long-term basis to quality tenants. When evaluating acquisitions we consider a variety of criteria, including per Unit accretion; replacement cost of the asset, its functionality and appeal to future tenants; and how the asset complements our existing portfolio.

FINANCIAL OVERVIEW

Net income (loss) for the quarter and year-to-date – For the three months ended September 30, 2019, the Trust recorded net loss of $3.0 million, consisting of net rental income of $35.9 million, fair value adjustments to investment properties of $7.0 million, offset by fair value adjustments to financial instruments of $28.2 million, primarily attributed to the revaluation of subsidiary redeemable units, and cumulative other income and expenses of $17.7 million.

For the nine months ended September 30, 2019, the Trust recorded net income of $72.8 million, consisting of net rental income of $102.8 million, fair value adjustments to investment properties of $90.7 million, offset by fair value adjustments to financial instruments of $75.1 million, primarily attributed to the revaluation of subsidiary redeemable units, and cumulative other income and expenses of $45.6 million.

Diluted FFO per Unit[(1)] for the quarter and year-to-date – Diluted FFO per Unit for the three and nine months ended September 30, 2019 was 19 cents and 60 cents, respectively, compared to 21 cents and 64 cents, respectively, for the three and nine months ended September 30, 2018. FFO per Unit was lower primarily due to lower leverage, partially offset by higher comparative properties NOI[(1)] across all regions and net rental income from our acquired properties.

Net rental income for the quarter and year-to-date – Net rental income for the three and nine months ended September 30, 2019 was $35.9 million and $102.8 million, respectively, representing an increase of $7.2 million or 25.0% over the prior year comparative quarter, and an increase of $18.7 million or 22.2% over the prior year comparative nine-month period. The increase was mainly due to higher net rental income from investment properties acquired in 2018 and 2019, as well as higher comparative properties NOI[(1)] across all regions.

Comparative properties NOI[(1)] for the quarter and year-to-date – Comparative properties NOI for the three and nine months ended September 30, 2019 increased 6.4% over the prior year comparative quarter, and increased 4.6% over the prior year comparative nine-month period. Comparative properties NOI increased primarily due to higher average occupancy and rental rates in the Western Canada and Québec regions, as well as higher rental rates in the Ontario region.

Leasing activity – For the three and nine months ended September 30, 2019, approximately 698,000 square feet and 2.1 million square feet of leases commenced over the respective periods, of which 393,000 square feet and 1.3 million square feet, respectively, were renewals and relocations. The overall retention ratio for the three and nine months ended September 30, 2019 was 46.5% and 65.4%, respectively. This quarter's retention ratio was largely impacted by a 111,000 square foot tenant vacancy in the Greater Toronto Area ("GTA"). We continue to see a strong leasing environment in the GTA and the current vacancy will avail us the opportunity to drive rental rate growth on lease up.

As at September 30, 2019, vacant space committed for future occupancy was approximately 92,000 square feet, bringing our overall in-place and committed occupancy to 96.2%. All of the Trust's future committed occupancy is scheduled to take occupancy during the remainder of 2019.

Continued strong leasing momentum in Ontario and Québec – In the Trust's Ontario and Québec regions, the rental spreads on new leases and renewals on space occupied in the third quarter were 21.5% and 12.3%, respectively, higher than prior rental rates. Our focus on driving rental rates higher in these regions continues to have a positive impact on our operating results. Of the 1.2 million square feet of 2019 lease expiries in the Ontario region, we have secured renewal and new lease commitments totalling 1.0 million square feet at an average spread of 16.2% over expiring or prior rents. In the Québec region, we have secured renewal and new lease commitments for the entire 685,000 square feet of 2019 lease expiries, along with 72,000 square feet of new lease commitments on vacant space, at an overall average spread of 12.1% over expiring or prior rents.

Net asset value ("NAV") per Unit[(1)] – As at September 30, 2019, NAV per Unit was $11.09 compared to $11.04 at June 30, 2019 and $10.12 at September 30, 2018, up $0.05 or 0.5% and $0.97 or 9.6%, respectively. The quarter-over-quarter and year-over-year increases in NAV per Unit largely reflect an increase in investment property values in the Ontario and Québec regions.

Initiating development program in attractive markets with strong partners – The Trust, Dream Unlimited Corp. and PAULS Corp are in exclusive negotiations to acquire an interest in approximately 24 acres of development land in Las Vegas, Nevada, with PAULS Corp expected to serve as the development manager. Both partners have strong development platforms with an extensive track record in commercial development, with PAULS Corp having developed over 16 million square feet of real estate across Canada and the U.S., including Las Vegas.

Increasing presence in target markets – The Trust is currently in advanced negotiations to acquire a 0.6 million square foot portfolio in Kitchener, Ontario for a purchase price of $62.5 million, representing a going-in capitalization rate of 5.2%. Subject to satisfactory completion of due diligence, the Trust expects to close on the acquisition in December 2019.

Completion of Eastern Canada portfolio sale – On July 31, 2019, the Trust completed the previously announced sale of its Eastern Canada portfolio for gross proceeds before transaction costs, closing adjustments and debt settlement costs of $271 million. The Eastern Canada portfolio comprised 38 properties totalling approximately 2.8 million square feet.

Completed acquisitions in Ottawa and Regina – On July 22, 2019, the Trust completed the acquisition of a property in Ottawa, Ontario, comprising two multi-tenant industrial buildings totalling approximately 233,000 square feet of GLA, for a gross purchase price of $32.8 million before closing adjustments and transaction costs.

On August 30, 2019, the Trust completed the acquisition of Dream Hard Asset Alternatives Trust's remaining 50% interest in a portfolio of six properties co-owned with us in Regina, Saskatchewan, for a gross purchase price of $8.1 million before closing adjustments and transaction costs. The Saskatchewan portfolio comprises approximately 119,000 square feet of GLA.

Acquisitions pipeline update – We continue to pursue investment opportunities in the Trust's target markets with approximately $300 million of asset acquisitions in the pipeline.

Stable and conservative capital structure – We ended the quarter with level of debt (net debt-to-assets ratio)(1) of 31.4%, net debt-to-adjusted EBITDAFV(1) of 5.4 years and interest coverage ratio(1) of 3.8 times. Our unencumbered assets(1) and available liquidity(1) totalled $345.3 million and $280.1 million, respectively, providing additional financial flexibility.

(1) Diluted FFO per Unit, comparative properties NOI, NAV per Unit, net debt-to-assets ratio, net debt-to-adjusted EBITDAFV, interest coverage ratio, unencumbered assets and available liquidity are non-GAAP measures. See "Non-GAAP Measures and Other Disclosures" for a description of these non-GAAP measures.

SECTION II

OUR PROPERTIES

Owned gross leasable area by region

Dream Industrial REIT owns and operates a diversified portfolio of industrial distribution and warehousing properties located in key markets across Canada and in the U.S.

As at September 30, 2019, our portfolio, excluding assets held for sale, consists of 209 properties comprising 21.8 million square feet of GLA. Our properties are located in desirable business parks, situated close to highways and generally considered functional and well suited for their respective markets.

Our properties are geographically diversified as follows:

		September 30, 2019			December 31, 2018	
	Number of properties	**Owned GLA (thousands of sq. ft.)**	**% of owned GLA**	Number of properties	Owned GLA (thousands of sq. ft.)	% of owned GLA
Western Canada	**82**	**5,093**	**23.3**	83	5,058	25.0
Ontario	**60**	**5,323**	**24.4**	59	5,099	25.3
Québec	**38**	**4,121**	**18.9**	37	3,888	19.3
U.S.	**29**	**7,275**	**33.4**	7	3,488	17.2
Total continuing operations	**209**	**21,812**	**100.0**	186	17,533	86.8
Eastern Canada	**—**	**—**	**—**	37	2,661	13.2
Total portfolio(1)	**209**	**21,812**	**100.0**	223	20,194	100.0

(1) Excludes assets held for sale at the end of each period.

Across our regions, our portfolio consists of single-tenant and multi-tenant buildings:

				September 30, 2019
	Single-tenant GLA (thousands of sq. ft.)	% of owned GLA	Multi-tenant GLA (thousands of sq. ft.)	% of owned GLA
Western Canada	755	3.5	4,338	19.8
Ontario	2,600	11.9	2,723	12.5
Québec	2,236	10.3	1,885	8.6
U.S.	3,098	14.2	4,177	19.2
Total continuing operations(1)	8,689	39.9	13,123	60.1

(1) Excludes assets held for sale.

The differences between single- and multi-tenant buildings can be seen in the following operating metrics:

- Average tenant size – single tenants typically occupy significantly more space on an individual basis than those tenants in multi-tenant buildings;
- Average lease term – single tenants typically have lease terms that are significantly longer than those for multi-tenant buildings, which tends to offset the concentration risk of having a large single tenant in a building; and
- Average in-place rents per square foot – they are typically moderately higher in multi-tenant buildings.

Multi-tenant buildings with shorter lease terms allow a landlord to bring rents to market rates on a more frequent basis, thereby taking advantage of supply-constrained market conditions. Small-bay multi-tenant buildings tend to have higher construction costs and tend to be located in denser urban markets, which increases the barriers to competition from new supply. Selective ownership of single-tenant buildings provides a source of stable cash flow with relatively less management effort required. In addition to the geographic distribution, maintaining a balance of the two building types in the portfolio is part of our diversification strategy.

Tenant base profile

Our tenant base consists of a diverse range of high-quality businesses. With just over 1,000 tenants, we believe our exposure to any single large lease or tenant is low. The average size of our tenants is approximately 20,700 square feet, averaging 113,200 square feet across our single-tenant buildings and 13,400 square feet across our multi-tenant buildings.

Overall, the WALT in our portfolio is 4.1 years. Our single-tenant buildings have a WALT of 4.8 years and our multi-tenant buildings have a WALT of 3.7 years.

The following table outlines the contributions of our top ten tenants to our annualized gross rental revenue as of September 30, 2019:

Rank	Tenant	Gross rental revenue (%)	Owned GLA (thousands of sq. ft.)	Owned GLA (%)	WALT (years)
1.	Nissan North America Inc.	3.8	1,189	5.5	5.2
2.	Spectra Premium Industries Inc.	2.3	656	3.0	5.6
3.	TC Transcontinental	2.2	523	2.4	2.5
4.	Gienow Windows & Doors Inc.	2.1	371	1.7	9.6
5.	Accel Inc.	1.5	417	1.9	6.8
6.	United Agri Products Canada Inc.	1.5	275	1.3	4.0
7.	Molson Breweries Properties	1.3	225	1.0	3.3
8.	ODW Logistics	1.2	248	1.1	4.3
9.	West Marine Products, Inc.	1.2	472	2.2	3.3
10.	Henry Schein, Inc.	1.0	380	1.7	2.5
	Total	18.1	4,756	21.8	4.8

No single tenant represents more than 5% of the annualized gross rental revenue of the overall portfolio. The WALT for the top ten tenants is 4.8 years, which provides stability and predictability of income.

OUR OPERATIONS

The following key performance indicators related to our operations influence the cash generated from operating activities. The key performance indicators exclude assets held for sale at the end of each period.

Total portfolio in-place and committed occupancy

The following table details our total portfolio in-place and committed occupancy by region.

Our in-place and committed occupancy includes lease commitments totalling approximately 92,000 square feet for space that is being readied for occupancy but for which rental revenue is not yet recognized.

	Total portfolio[1]		
(percentage)	**September 30, 2019**	June 30, 2019	September 30, 2018
Western Canada	**96.0**	95.9	94.2
Ontario	**97.1**	98.1	98.7
Québec	**99.1**	99.1	97.3
Total Canada – continuing operations	**97.3**	97.6	96.6
Eastern Canada – discontinued operations	**—**	—	93.1
Total Canada	**97.3**	97.6	96.1
Total U.S.	**94.2**	95.7	100.0
Total	**96.2**	96.9	96.8

(1) Excludes assets held for sale at the end of each period.

Our Canadian portfolio continuing operations' in-place and committed occupancy at September 30, 2019 was 97.3%, compared to 97.6% at June 30, 2019 and 96.6% at September 30, 2018, a decrease of 0.3% and an increase of 0.7% over the respective periods. The prior quarter decline was mainly attributable to two tenant vacancies in Ontario totalling approximately 138,000 square feet in Mississauga and Windsor. In-place and committed occupancy in the Western Canada and Québec regions remained stable. In-place and committed occupancy increased over the prior year due to higher occupancy in the Western Canada and Québec regions, partially offset by lower occupancy in the Ontario region. We continue to see strong leasing activity in the GTA and accordingly, the current vacancies in Ontario will enable us to realize higher rental rates. With near full occupancy in Québec, we are focused on driving rental rates higher while minimizing overall capital and leasing costs.

Following the acquisition of the Midwest U.S. portfolio in the first quarter of 2019, total in-place and committed occupancy in the U.S. portfolio remained high at 94.2% and decreased by 1.5% compared to June 30, 2019. The decline over the prior quarter was mainly attributable to vacancies at two properties totalling approximately 121,000 square feet in Columbus, Ohio. These were anticipated departures and we have demised the units into smaller suites, allowing us to lease the vacant spaces sooner at higher rental rates. The U.S. portfolio in-place and committed occupancy was lower by 5.8% compared to September 30, 2018, mainly due to the vacancies during the quarter and the acquired vacancies in the Midwest U.S. portfolio.

Occupancy continuity

The following tables detail the change in in-place and committed occupancy across our Canadian and U.S. portfolios for the three and nine months ended September 30, 2019:

Canadian portfolio	Weighted average rate per sq. ft.	For the three months ended September 30, 2019 (thousands of sq. ft.)	% of owned GLA	Weighted average rate per sq. ft.	For the nine months ended September 30, 2019 (thousands of sq. ft.)	% of owned GLA
Occupancy (in-place and committed) at beginning of period		13,974	97.6%		16,121	96.5%
Vacancy committed for future occupancy		(130)	(0.9%)		(279)	(1.7%)
Occupancy (in-place) at beginning of period		13,844	96.7%		15,842	94.8%
Occupancy related to acquired properties and remeasurements		294			589	
Occupancy related to sold properties and properties held for sale		—			(2,462)	
Occupancy (in-place) at beginning of period – adjusted		14,138	97.3%		13,969	96.1%
Natural expiries and relocations	$ 7.03	(713)	(4.9%)	$ 7.35	(1,661)	(11.4%)
Early terminations and bankruptcies	$ 7.98	(35)	(0.2%)	$ 8.79	(108)	(0.7%)
New leases	$ 8.06	305	2.1%	$ 8.19	761	5.2%
Renewals and relocations	$ 7.94	382	2.6%	$ 7.66	1,116	7.7%
Occupancy (in-place) at end of period		14,077	96.9%		14,077	96.9%
Vacancy committed for future occupancy		61	0.4%		61	0.4%
Occupancy (in-place and committed) at end of period		14,138	97.3%		14,138	97.3%

U.S. portfolio (dollar amounts in US$)		Weighted average rate per sq. ft.	For the three months ended September 30, 2019 (thousands of sq. ft.)	% of owned GLA		Weighted average rate per sq. ft.	For the nine months ended September 30, 2019 (thousands of sq. ft.)	% of owned GLA
Occupancy (in-place and committed) at beginning of period			6,961	95.7%			3,488	100.0%
Vacancy committed for future occupancy			(16)	(0.2%)			—	—%
Occupancy (in-place) at beginning of period			6,945	95.5%			3,488	100.0%
Occupancy related to acquired properties and remeasurements			—				3,473	
Occupancy (in-place) at beginning of period – adjusted			6,945	95.5%			6,961	95.7%
Natural expiries and relocations	$	3.31	(132)	(1.8%)	$	3.43	(311)	(4.3%)
Early terminations	$	—	—	—%	$	2.69	(27)	(0.4%)
New leases	$	—	—	—%	$	3.15	27	0.4%
Renewals and relocations	$	5.42	11	0.1%	$	3.94	174	2.4%
Occupancy (in-place) at end of period			6,824	93.8%			6,824	93.8%
Vacancy committed for future occupancy			31	0.4%			31	0.4%
Occupancy (in-place and committed) at end of period			6,855	94.2%			6,855	94.2%

Across our total portfolio, for the three and nine months ended September 30, 2019, approximately 698,000 square feet and 2.1 million square feet of leases commenced over the respective periods, of which 393,000 square feet and 1.3 million square feet, respectively, were renewals and relocations.

The overall tenant retention ratio in our total portfolio for the three and nine months ended September 30, 2019 was 46.5% and 65.4%, respectively. Tenant retention ratio is calculated as the ratio of total square feet of renewed and relocated space over natural expiries and relocations. This quarter's retention ratio was largely impacted by a 111,000 square foot vacancy in the GTA and a 121,000 square foot vacancy in Columbus, Ohio. We continue to see a strong leasing environment in the GTA and the current vacancy will allow us to drive rental rate growth on lease up. In the U.S., these were anticipated departures and we have demised the units into smaller suites, allowing us to lease the vacant spaces sooner at higher rental rates.

As at September 30, 2019, vacant space committed for future occupancy in our total portfolio was approximately 92,000 square feet, bringing our overall in-place and committed occupancy to 96.2%. All of the Trust's future committed occupancy is scheduled to take occupancy during the remainder of 2019.

New lease, renewal and relocation spreads

The following table compares the Canadian portfolios' weighted average new, renewal and relocation rate on leased space that commenced during the three and nine months ended September 30, 2019 to the weighted average prior and expiring rate.

Canadian portfolio(1)		For the three months ended September 30, 2019		For the nine months ended September 30, 2019
New, renewal and relocation rate (per sq. ft.)	$	7.98	$	7.93
Prior and expiring rate (per sq. ft.)	$	7.37	$	7.46
New, renewal and relocation rate to prior and expiring rate spread (per sq. ft.)(2)	$	0.61	$	0.47
New, renewal and relocation rate to prior and expiring rate spread over prior and expiring rate (%)(3)		8.3		6.3

(1) Excludes assets held for sale.

(2) New, renewal and relocation rate to prior and expiring rate spread (per sq. ft.) is calculated as the difference between the weighted average new, renewal and relocation rate and the weighted average prior and expiring rate (per sq. ft.).

(3) New, renewal and relocation rate to prior and expiring rate spread over prior and expiring rate (%) is calculated as the ratio of the weighted average new, renewal and relocation rate over the weighted average prior and expiring rate (per sq. ft.) divided by the weighted average prior and expiring rate (per sq. ft.).

For the three months ended September 30, 2019, the weighted average new, renewal and relocation rate to prior and expiring rate spread was 8.3% higher than the weighted average prior and expiring rate. Rental rate spreads in the Ontario and Québec regions were higher by 21.5% and 12.3%, respectively, reflecting continued demand for industrial space in those markets. Rental rate spreads in the Western Canada region were lower by 3.5%, a region where we remain focused on retaining tenants and leasing up vacant space by applying various asset management strategies and investing capital prudently.

For the nine months ended September 30, 2019, the weighted average new, renewal and relocation rate to prior and expiring rate spread was 6.3% higher than the weighted average prior and expiring rate for the same reasons as discussed above.

As a result of when leases are executed, new lease and renewal rates on leased space reflect committed deals signed in prior periods. These rates may not be reflective of the rates transacted in the current period.

The following table compares the U.S. portfolios' weighted average new, renewal and relocation rate on leased space that commenced during the three and nine months ended September 30, 2019 to the weighted average prior and expiring rate.

U.S. portfolio (dollar amounts in US$)		For the three months ended September 30, 2019		For the nine months ended September 30, 2019
New, renewal and relocation rate (per sq. ft.)	$	5.42	$	3.94
Prior and expiring rate (per sq. ft.)	$	3.77	$	3.41
New, renewal and relocation rate to prior and expiring rate spread (per sq. ft.)(1)	$	1.65	$	0.53
New, renewal and relocation rate to prior and expiring rate spread over prior and expiring rate (%)(2)		43.8		15.5

(1) New, renewal and relocation rate to prior and expiring rate spread (per sq. ft.) is calculated as the difference between the weighted average new, renewal and relocation rate and the weighted average prior and expiring rate (per sq. ft.).

(2) New, renewal and relocation rate to prior and expiring rate spread (%) is calculated as the ratio of the weighted average new, renewal and relocation rate over the weighted average prior and expiring rate (per sq. ft.) divided by the weighted average prior and expiring rate (per sq. ft.).

For the three and nine months ended September 30, 2019, the weighted average new, renewal and relocation rate to prior and expiring rate spread in the U.S. portfolio was 43.8% and 15.5%, respectively. Our U.S. portfolio lease rollovers have been concentrated in Columbus, Ohio and we are seeing strong rental spreads on lease rollovers in that particular market.

Total portfolio rental rates

The following table details the average in-place and committed base rent for our total portfolio (excluding assets held for sale).

	Average in-place and committed base rent (per sq. ft.)					
Total portfolio(1)		**September 30, 2019**		June 30, 2019		September 30, 2018
Western Canada	**$**	**8.88**	$	8.82	$	8.86
Ontario		**6.73**		6.56		6.33
Québec		**6.44**		6.37		6.27
Total Canada – continuing operations	**$**	**7.39**	$	7.29	$	7.22
Eastern Canada		**—**		—		7.29
Total Canada	**$**	**7.39**	$	7.29	$	7.22
Total U.S. (US$)	**$**	**3.85**	$	3.81	$	3.93

(1) Excludes assets held for sale at the end of each period.

As at September 30, 2019, the average in-place and committed base rent for our Canadian portfolio (excluding assets held for sale) increased to $7.39 per square foot compared to $7.29 per square foot as at June 30, 2019 and $7.22 per square foot as at September 30, 2018. The increase was primarily driven by lease rollovers in the Ontario and Québec regions where we are capturing strong positive rental rate spreads.

The average in-place and committed base rent for our U.S. portfolio was US$3.85 per square foot as at September 30, 2019 compared to US$3.81 per square foot as at June 30, 2019 and US$3.93 per square foot as at September 30, 2018. The quarter-over-quarter increase was mainly attributable to strong rental spreads on lease rollovers in Columbus, Ohio. The year-over-year decrease is due to the acquisition of the Midwest U.S. portfolio in the first quarter of 2019, a portfolio with lower average in-place and committed base rents. Partially offsetting this decrease was leasing activity over the past nine-month period with rental rate spreads of 15.5% over the prior and expiring rate.

The following table details the average in-place and committed base rent per square foot, estimated market rent per square foot and average remaining lease term by region for our total portfolio (excluding assets held for sale) as at September 30, 2019.

	September 30, 2019			
Total portfolio[1]	Average in-place and committed base rent (per sq. ft.)	Estimated market rent[2] (per sq. ft.)	Estimated market rent/ average in-place and committed base rent	WALT (years)
Western Canada	$ 8.88	$ 8.90	0.2%	3.7
Ontario	6.73	7.67	14.0%	4.7
Québec	6.44	6.59	2.3%	3.5
Total Canada – continuing operations	$ 7.39	$ 7.78	5.3%	4.0
Total U.S. (US$)	$ 3.85	$ 4.31	11.9%	4.4
Total WALT (Canada and U.S.) (years)				4.1

(1) Excludes assets held for sale.

(2) Estimate only; based on current market rents with no allowance for increases in future years. Subject to changes in market conditions in respective regions.

Estimated market rent represents management's best estimate of the base rent that would be achieved in a new arm's length lease in the event that a unit becomes vacant after a reasonable marketing period with an inducement and lease term appropriate for the particular space. Market rent by property is reviewed regularly by our leasing and portfolio management teams. Market rents may differ by property or by unit and depend upon a number of factors. Some of the factors considered include the condition of the space, the location within the building, the amount of office build-out for the units, lease term and a normal level of tenant inducements. Market rental rates are also compared against the external appraisal information that is gathered on a quarterly basis as well as other external market data sources.

As a result of when leases are executed, there is typically a lag between estimated market rents and average in-place and committed base rent.

As at September 30, 2019, our Canadian portfolio's (excluding assets held for sale) estimated market rent was $7.78 per square foot, 5.3% higher than the average in-place and committed base rent, mainly driven by the Ontario region with estimated market rents 14.0% higher than the average in-place and committed base rent. For our U.S. portfolio, estimated market rents were US$4.31 per square foot, 11.9% higher than the average in-place and committed base rent, presenting an opportunity for us to surface additional value as leases roll over in the respective markets.

Lease maturity profile, net of lease commitments

The following table details our total portfolio (excluding assets held for sale) lease maturity profile by region, net of renewals and new leases completed at September 30, 2019:

Total portfolio[1] (in thousands of sq. ft.)	Vacancy, net of commitments	Remainder of 2019	2020	2021	2022	2023	2024+	Total
Western Canada	204	149	693	740	786	957	1,564	5,093
Ontario	156	53	529	632	836	644	2,473	5,323
Québec	39	10	448	625	929	623	1,447	4,121
U.S.	420	36	258	573	911	2,005	3,072	7,275
Total GLA	819	248	1,928	2,570	3,462	4,229	8,556	21,812
Percentage of total GLA	3.8%	1.1%	8.8%	11.8%	15.9%	19.4%	39.2%	100.0%

(1) Excludes assets held for sale.

Our lease maturity profile, net of renewals and new leases completed, remains staggered. Lease expiries, net of committed occupancy as a percentage of total GLA between 2020 and 2023, range from 8.8% to 19.4%. For the remainder of 2019, we have 248,000 square feet of maturities to address, representing 1.1% of total GLA.

Lease expiry profile for remainder of 2019

The following table details our total portfolio (excluding assets held for sale) lease maturity profile for the remainder of 2019 by region, net of renewals and net of committed new leases on vacant space:

Total portfolio[1] (in thousands of sq. ft.)	Western Canada	Ontario	Québec	U.S.	Total
2019 expiries (as at September 30, 2019)	(580)	(292)	(351)	(263)	(1,486)
Expiries committed for renewals	431	239	341	227	1,238
Expiries, net of renewals	(149)	(53)	(10)	(36)	(248)
Commitments as a % of expiries	74.3%	81.8%	97.2%	86.3%	83.3%
Current vacancies	(240)	(181)	(39)	(451)	(911)
Current vacancies committed for future occupancy	36	25	—	31	92
Current vacancies, net of commitments for future occupancy	(204)	(156)	(39)	(420)	(819)

(1) Excludes assets held for sale.

During the quarter, there were two previously identified tenant vacancies in the U.S. portfolio totalling 121,000 square feet in Columbus, Ohio. We have commenced the process of reconfiguring the units into smaller suites, allowing us to lease the vacant spaces sooner at higher net rental rates.

Lease incentives and initial direct leasing costs

Lease incentives include costs incurred to make leasehold improvements to tenant spaces, landlord works and cash allowances. Initial direct leasing costs include leasing fees and related costs and broker commissions incurred in negotiating and arranging tenant leases. Lease incentives and initial direct leasing costs are dependent upon asset type, lease terminations and expiries, the mix of new leasing activity compared to renewals, portfolio growth and general market conditions. Short-term leases generally have lower costs than long-term leases.

For the three months ended September 30, 2019 and September 30, 2018, leasing costs associated with leases that commenced during the period were $4.21 per square foot and $5.38 per square foot, respectively. Leasing costs per square foot decreased as the prior year included leasing costs for a 210,000 square foot early renewal in Ontario with a 16-year lease term.

For the nine months ended September 30, 2019 and September 30, 2018, leasing costs were $4.15 per square foot and $2.66 per square foot, respectively. Leasing costs per square foot increased on a year-to-date basis, primarily attributable to lease commencements of flex office properties in the Western Canada region. In Western Canada, we continue to focus on improving occupancy while prudently investing the necessary capital to lease up space.

Performance indicators for leases that commenced during the period[1][2]	For the three months ended September 30, 2019	2018	For the nine months ended September 30, 2019	2018
Leases that commenced during the period (in thousands of sq. ft.)	**698**	628	**2,078**	2,239
WALT (years)	**4.4**	7.9	**4.1**	5.3
Lease incentives and initial direct leasing costs:				
In thousands of dollars	**$ 2,937**	$ 3,372	**$ 8,609**	$ 5,963
Per square foot	**$ 4.21**	$ 5.38	**$ 4.15**	$ 2.66

(1) Excludes Eastern Canada portfolio in the current and comparative period.

(2) Excluded from the three and nine months ended September 30, 2018 are fully recoverable leasing costs of $3.0 million and $3.7 million, respectively.

Net rental income

Net rental income is defined by the Trust as the total investment properties revenue less investment properties operating expenses from continuing operations.

For a detailed discussion about investment properties revenue and operating expenses from continuing operations for the three and nine months ended September 30, 2019 and September 30, 2018, refer to the "Our Results of Operations" section.

	Three months ended September 30,				Nine months ended September 30,			
	2019		2018		**2019**		2018	
	Amount	**%**	Amount	%	**Amount**	**%**	Amount	%
Western Canada	**$ 11,083**	**31%**	$ 10,799	38%	**$ 32,821**	**32%**	$ 32,726	39%
Ontario	**9,430**	**26%**	8,513	30%	**27,480**	**27%**	24,643	29%
Québec	**6,825**	**19%**	5,561	19%	**18,815**	**18%**	16,551	20%
U.S.	**8,617**	**24%**	3,853	13%	**23,650**	**23%**	10,172	12%
Properties held for sale and sold(1)	**(37)**	**0%**	—	—%	**36**	**0%**	—	—%
Net rental income	**$ 35,918**	**100%**	$ 28,726	100%	**$ 102,802**	**100%**	$ 84,092	100%

(1) Excludes discontinued operations.

For the three months ended September 30, 2019, net rental income increased by $7.2 million, or 25.0%, compared to the prior year comparative quarter, mainly driven by the impact of acquired investment properties in 2019 and 2018 and comparative properties NOI growth.

For the nine months ended September 30, 2019, net rental income increased by $18.7 million, or 22.2%, over the prior year comparative period, for the same reasons as described above.

Comparative properties NOI (year-over-year comparison)

Comparative properties NOI is a non-GAAP measure. See the "Non-GAAP Measures and Other Disclosures" section of the MD&A. When the Trust compares comparative properties NOI on a year-over-year basis, the Trust excludes investment properties acquired after January 1, 2018, and assets held for sale or disposed of. Comparative properties NOI also excludes lease termination fees and other rental income, straight-line rent, bad debt expenses and amortization of lease incentives.

Given that the entire Eastern Canada segment was classified as assets held for sale at the end of June 30, 2019 and subsequently sold on July 31, 2019, the associated results of operations for the three and nine months ended September 30, 2019 and September 30, 2018 have been presented separately as income (loss) from discontinued operations and excluded from comparative properties NOI in the current and prior period.

Comparative properties NOI is an important measure used by management in evaluating the performance of properties fully owned by the Trust in the current and comparative periods presented; however, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

The tables below detail the comparative properties NOI by region and other items to assist in understanding the impact each component has on net rental income for the three and nine months ended September 30, 2019 and September 30, 2018.

	Three months ended				Change in	Change in
	September 30,	September 30,	Change		weighted average	in-place
	2019	2018	$	%	occupancy %	base rent %
Western Canada	**$ 11,408**	$ 10,663	$ 745	7.0	3.1	2.4
Ontario	**8,408**	8,116	292	3.6	(1.9)	4.9
Québec	**6,289**	5,683	606	10.7	4.3	2.0
U.S.	**1,314**	1,298	16	1.2	—	0.5
Comparative properties NOI	**27,419**	25,760	1,659	6.4	1.6	3.2
NOI from acquired properties	**8,813**	2,710	6,103			
Lease termination fees and other	**55**	26	29			
Straight-line rent	**135**	202	(67)			
Bad debt expenses	**(131)**	63	(194)			
Amortization of lease incentives	**(336)**	(293)	(43)			
NOI from properties held for sale	**(37)**	117	(154)			
NOI from sold properties	**—**	141	(141)			
Net rental income	**$ 35,918**	$ 28,726	$ 7,192	25.0		

For the three months ended September 30, 2019, comparative properties NOI increased by $1.7 million, or 6.4%, compared to the prior year comparative quarter. The increase was primarily due to higher average occupancy and rental rates in the Western Canada and Québec regions, as well as higher rental rates in the Ontario region.

	Nine months ended				Change in	Change in
	September 30,	September 30,	Change		weighted average	in-place
	2019	2018	$	%	occupancy %	base rent %
Western Canada	**$ 33,654**	$ 32,555	$ 1,099	3.4	1.5	0.6
Ontario	**25,066**	24,081	985	4.1	(0.3)	3.7
Québec	**18,192**	16,879	1,313	7.8	3.1	1.8
U.S.	**3,998**	3,823	175	4.6	—	—
Comparative properties NOI	**80,910**	77,338	3,572	4.6	1.2	1.9
NOI from acquired properties	**22,355**	6,202	16,153			
Lease termination fees and other	**75**	84	(9)			
Straight-line rent	**886**	752	134			
Bad debt expenses	**(399)**	(223)	(176)			
Amortization of lease incentives	**(1,061)**	(838)	(223)			
NOI from properties held for sale	**(172)**	352	(524)			
NOI from sold properties	**208**	425	(217)			
Net rental income	**$ 102,802**	$ 84,092	$ 18,710	22.2		

For the nine months ended September 30, 2019, comparative properties NOI increased by $3.6 million, or 4.6%, compared to the prior year comparative period. The increase was primarily due to the same reasons as noted above and the stronger U.S. dollar relative to the Canadian dollar.

Comparative properties NOI (quarter-over-quarter comparison)

When the Trust compares comparative properties NOI on a quarter-over-quarter basis, the Trust excludes investment properties acquired after April 1, 2019, and assets held for sale or disposed of. Comparative properties NOI also excludes lease termination fees and other rental income, straight-line rent, bad debt expenses and amortization of lease incentives.

The table below details the comparative properties NOI by region and other items to assist in understanding the impact each component has on net rental income for the three months ended September 30, 2019 and June 30, 2019.

	Three months ended				Change in	Change in
	September 30,	June 30,	Change		weighted average	in-place
	2019	2019	$	%	occupancy %	base rent %
Western Canada	**$ 11,408**	$ 11,324	$ 84	0.7	1.3	0.5
Ontario	**8,884**	8,907	(23)	(0.3)	(2.9)	2.5
Québec	**6,500**	6,328	172	2.7	0.5	1.2
U.S.	**7,868**	8,402	(534)	(6.4)	(1.3)	(5.6)
Comparative properties NOI	**34,660**	34,961	(301)	(0.9)	(0.7)	(0.3)
NOI from acquired properties	**1,572**	518	1,054			
Lease termination fees and other	**55**	16	39			
Straight-line rent	**135**	211	(76)			
Bad debt expenses	**(131)**	(207)	76			
Amortization of lease incentives	**(336)**	(311)	(25)			
NOI from properties held for sale	**(37)**	(69)	32			
NOI from sold properties	**—**	66	(66)			
Net rental income	**$ 35,918**	$ 35,185	$ 733	2.1		

For the three months ended September 30, 2019, comparative properties NOI decreased by $0.3 million, or 0.9%, compared to the prior quarter, primarily due to the U.S. region. The decrease in the U.S. is mainly due to foreign exchange fluctuations and vacancies totalling approximately 121,000 square feet in Columbus, Ohio. The overall decrease in comparative properties NOI was partially offset by higher average occupancy and rental rates in the Western Canada and Québec regions. Comparative properties NOI remained stable in the Ontario region where the decrease in average occupancy was partially offset by higher average rental rates on renewals and new leasing.

OUR RESULTS OF OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Investment properties revenue	**$ 49,511**	$ 39,495	**$ 144,347**	$ 118,501
Investment properties operating expenses	**(13,593)**	(10,769)	**(41,545)**	(34,409)
Net rental income	**35,918**	28,726	**102,802**	84,092
Other income				
Interest and fee income	**543**	343	**951**	607
	543	343	**951**	607
Other expenses				
General and administrative	**(3,059)**	(2,404)	**(8,857)**	(7,687)
Interest:				
Debt(1)	**(8,549)**	(8,415)	**(26,270)**	(26,267)
Subsidiary redeemable units	**(3,344)**	(3,344)	**(10,032)**	(10,032)
Depreciation and amortization	**(8)**	(8)	**(35)**	(50)
	(14,960)	(14,171)	**(45,194)**	(44,036)
Fair value adjustments and net losses on transactions and other activities				
Fair value adjustments to investment properties	**7,037**	11,358	**90,720**	69,778
Fair value adjustments to financial instruments	**(28,191)**	4,462	**(75,131)**	(25,996)
Net losses on transactions and other activities	**(500)**	(2,413)	**(1,107)**	(3,751)
	(21,654)	13,407	**14,482**	40,031
Income (loss) before income taxes and discontinued operations	**(153)**	28,305	**73,041**	80,694
Current and deferred income taxes recovery (expense), net	**(503)**	778	**(3,054)**	(493)
Income (loss) from continuing operations, net of taxes	**(656)**	29,083	**69,987**	80,201
Income (loss) from discontinued operations, net of taxes	**(2,310)**	877	**2,803**	10,872
Net income (loss)	**$ (2,966)**	$ 29,960	**$ 72,790**	$ 91,073
Other comprehensive income (loss)				
Items that will be reclassified subsequently to net income (loss):				
Unrealized gain (loss) on foreign currency translation, net of taxes	**$ 4,680**	$ (2,375)	**$ (5,426)**	$ 4,287
Unrealized gain (loss) on effective interest rate hedge, net of taxes	**—**	39	**(35)**	86
	4,680	(2,336)	**(5,461)**	4,373
Comprehensive income	**$ 1,714**	$ 27,624	**$ 67,329**	$ 95,446

(1) For the three and nine months ended September 30, 2019, mark-to-market amortization included in interest expense was a gain of $158 and $487, respectively (for the three and nine months ended September 30, 2018 – gain of $118 and $131, respectively).

Investment properties revenue

Investment properties revenue includes base rent from investment properties, recovery of operating costs, property taxes and capital expenditures from tenants, the impact of straight-line rent adjustments, lease termination fees and other adjustments as well as fees earned from property management.

Investment properties revenue for the three and nine months ended September 30, 2019 increased by $10.0 million, or 25.4%, and $25.8 million, or 21.8%, respectively, compared to the prior year comparative quarter and prior year comparative period. The increase is mainly due to the impact of acquired properties in 2018 and 2019 and higher weighted average occupancy and rental rates in most of the regions.

Investment properties operating expenses

Investment properties operating expenses comprise operating costs and property taxes as well as certain expenses that are not recoverable from tenants. Operating expenses fluctuate with changes in occupancy levels, expenses that are seasonal in nature, and the level of repairs and maintenance incurred during the period.

Investment properties operating expenses for the three and nine months ended September 30, 2019 increased by $2.8 million, or 26.2%, and $7.1 million, or 20.7%, respectively, compared to the prior year comparative quarter and prior year comparative period. The increase is primarily due to the impact of acquired properties in 2018 and 2019.

General and administrative expenses

The following table summarizes our general and administrative ("G&A") expenses for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Asset management fee	**$ (1,241)**	$ (981)	**$ (3,525)**	$ (2,877)
Professional fees and general corporate expenses[1]	**(1,437)**	(977)	**(3,642)**	(3,055)
Deferred compensation expenses	**(381)**	(446)	**(1,690)**	(1,755)
Total	**$ (3,059)**	$ (2,404)	**$ (8,857)**	$ (7,687)

(1) General corporate expenses include corporate management and overhead related costs, public reporting, and Board of Trustees' fees and expenses.

G&A expenses for the three and nine months ended September 30, 2019 increased by $0.7 million, or 27.2%, and $1.2 million, or 15.2%, respectively, compared to the prior year comparative quarter and prior year comparative period. Asset management fees increased due to the acquisitions completed in 2019 and 2018. Professional fees and general corporate expenses increased due to higher overhead costs and business taxes applicable to the U.S. acquired properties. Partially offsetting the increase in G&A expenses in the respective periods was a decrease in overall deferred compensation expenses due to one-time cancellations of deferred trust units and fewer outstanding unvested deferred trust units.

Interest expense on debt

Interest expense on debt for the three and nine months ended September 30, 2019 remained relatively stable at $8.5 million and $26.3 million, respectively, compared to the prior year comparative quarter and prior year comparative period.

Interest expense increased due to short-term borrowings used to fund acquisitions and new mortgages placed on the acquired properties. The increase in interest expense was offset by interest savings due to the repayment of the outstanding balance on our credit facility, discharge of Eastern Canada portfolio mortgages using the net proceeds from the Eastern Canada disposition and the redemption of the 5.25% convertible debentures in the third quarter of 2018.

Fair value adjustments to investment properties

Refer to the section "Investment Properties" under the heading "Fair value adjustments to investment properties" for a discussion of fair value changes to investment properties for the three and nine months ended September 30, 2019.

Fair value adjustments to financial instruments

The following table summarizes our fair value adjustments to financial instruments for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Remeasurement of carrying value of subsidiary redeemable units	**$ (26,529)**	$ 3,896	**$ (68,828)**	$ (24,303)
Remeasurement of carrying value of Deferred Unit Incentive Plan ("DUIP")	**(1,194)**	(13)	**(3,050)**	(1,066)
Fair value adjustment on interest rate swap	**(468)**	1,195	**(3,253)**	1,678
Fair value adjustment on conversion feature of convertible debentures	**—**	(616)	**—**	(2,305)
Total	**$ (28,191)**	$ 4,462	**$ (75,131)**	$ (25,996)

Net losses on transactions and other activities

The following table summarizes our net losses on transactions and other activities for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,				Nine months ended September 30,			
		2019		2018		**2019**		2018
Internal leasing costs	**$**	**(569)**	$	(632)	**$**	**(1,725)**	$	(1,970)
Foreign exchange gain[1]		**69**		—		**647**		—
Costs on sale of investment properties[2]		**—**		—		**(29)**		—
Convertible debentures early redemption write-offs[3]		**—**		(1,932)		**—**		(1,932)
Transaction cost recovery		**—**		151		**—**		151
Total	**$**	**(500)**	$	(2,413)	**$**	**(1,107)**	$	(3,751)

(1) The foreign exchange gain relates to capital transactions which do not form part of the Trust's net investment in the U.S. operations. Accordingly, the impact of such foreign exchange adjustments was added back in the determination of FFO (non-GAAP measure) in the respective periods.

(2) Costs on sale of investment properties consist of transaction costs, commissions and other expenses incurred in relation to the disposal of investment properties.

(3) During the third quarter of 2018, the Trust recorded a net $1,932 write-off of unamortized financing costs and fair value adjustments associated with the early repayment of the 5.25% convertible debentures.

Current and deferred income taxes recovery (expense), net

Current and deferred income taxes expense, net for the three and nine months ended September 30, 2019 increased by $1.3 million and $2.6 million, respectively, compared to the prior year comparative quarter and prior year comparative period. The increases were primarily driven by the difference between the fair value of our U.S. investment properties relative to the tax cost base. Substantially all of the current and deferred income taxes expense for the three and nine months ended September 30, 2019 and September 30, 2018 are deferred income taxes.

Income (loss) from discontinued operations

Given that the entire Eastern Canada region was included in assets held for sale at June 30, 2019 and subsequently disposed of on July 31, 2019, the associated results of operations for the three and nine months ended September 30, 2019 and September 30, 2018 have been presented separately as income (loss) from discontinued operations.

For the three months ended September 30, 2019, the Trust recorded loss from discontinued operations of $2.3 million, comprising net rental income of $1.5 million, offset by costs on sale of investment properties and debt settlement costs of $3.2 million, fair value adjustments to investment properties of $0.5 million, and cumulative other items of $0.1 million.

For the nine months ended September 30, 2019, income from discontinued operations was $2.8 million, comprising net rental income of $10.8 million, offset by costs on sale of investment properties and debt settlement costs of $3.6 million, fair value adjustments to investment properties of $2.4 million, and cumulative other items of $2.0 million.

Other comprehensive income (loss)

Other comprehensive income for the three months ended September 30, 2019 was $4.7 million and for the nine months ended September 30, 2019, other comprehensive loss was $5.5 million, due to the impact of the U.S. dollar relative to the Canadian dollar on our U.S. net investment.

Related party transactions

From time to time, Dream Industrial REIT and its subsidiaries enter into transactions with related parties that are generally conducted on a cost-recovery basis or under normal commercial terms.

Agreements with Dream Asset Management Corporation ("DAM")

The following table summarizes our fees paid to or received from DAM, including both continuing and discontinued operations for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Incurred under the Asset Management Agreement:				
Asset management fee (included in general and administrative expenses)	**$ (1,299)**	$ (1,159)	**$ (3,940)**	$ (3,411)
Acquisition fee (included in investment properties)[1]	**(205)**	(574)	**(2,448)**	(1,420)
Expense reimbursements related to financing arrangements	**(103)**	(91)	**(270)**	(294)
Total costs incurred under the Asset Management Agreement	**$ (1,607)**	$ (1,824)	**$ (6,658)**	$ (5,125)
Total costs incurred under the Shared Services and Cost Sharing Agreement	**$ (176)**	$ (159)	**$ (509)**	$ (496)
Total property management fees earned under the Property Management Agreement	**$ —**	$ 21	**$ 7**	$ 65

(1) A portion of this fee is paid by DAM to an affiliate of PAULS Corp for any U.S. acquisitions it is involved in.

The Asset Management Agreement ("AMA") with DAM provides for an incentive fee payable in an amount equal to 15% of the Trust's adjusted funds from operations per unit as defined in the AMA, which includes gains on the disposition of any properties in the year (together "AFFO") in excess of the hurdle amount initially set at 80 cents per unit, and which increases annually by 50% of the increase in the consumer price index ("Hurdle Amount"). For the most recently completed fiscal year for the AMA which ended October 3, 2018, the Hurdle Amount was $0.85 per unit.

The AMA has an initial term ending October 3, 2022 and is automatically renewed for further five-year terms unless and until terminated in accordance with its terms. The AMA may be terminated by DAM at any time after the initial term. Other than in respect of termination resulting from certain events of insolvency of DAM, on termination of the AMA, all accrued fees under the AMA, including the incentive fee, are payable to DAM. In such circumstances or if the Trust is acquired, the incentive fee is calculated as if all the Trust's properties were sold on the applicable date.

Disposition gains in the AFFO calculation used for determining the incentive fee are based on the fair value of the Trust's investment properties, at the applicable date, relative to their historic purchase price. As at September 30, 2019, the historic purchase price for the Trust's investment portfolio, excluding assets held for sale, was $1,994 million.

To date, no incentive fee has been payable by the Trust to DAM.

The amount of the incentive fee payable by the Trust on any date will be contingent upon various factors, including, but not limited to, changes in the Trust's AFFO as defined in the AMA, movements in the fair value of investment properties, acquisitions and dispositions, future foreign exchange rates, and changes in the total number of outstanding units of the Trust.

On February 1, 2019, the Property Management Agreement for Dream Industrial Management LP ("DIMLP") to manage one property on behalf of a subsidiary of DAM was terminated.

Agreements with Dream Hard Assets Alternatives Trust ("DHAAT")

The following table summarizes our fees received from DHAAT for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Total revenue under lease agreements and the Property Management Agreement	**$ 34**	$ 38	**$ 111**	$ 114

On August 30, 2019, the Trust completed the acquisition of DHAAT's 50% interest in six investment properties in Regina, Saskatchewan. Concurrently, the Property Management Agreement for DIMLP to manage the co-owned properties with DHAAT was terminated.

Agreements with Dream Office REIT

The following table summarizes the costs reimbursed to Dream Office REIT for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Total costs incurred under the Services Agreement	**$ (995)**	$ (819)	**$ (3,041)**	$ (2,385)

As discussed in "Our Equity", subsidiaries of Dream Office REIT are the holders of 100% of the outstanding LP B Units. Generally, each subsidiary redeemable unit entitles the holder to a distribution equal to distributions declared on our REIT Units. In our condensed consolidated financial statements, distributions paid and payable on LP B Units are included as interest expense.

The following table summarizes our distributions paid and payable to subsidiaries of Dream Office REIT on its subsidiary redeemable units for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Distributions paid and payable to Dream Office REIT on subsidiary redeemable units	**$ (3,344)**	$ (3,344)	**$ (10,032)**	$ (10,032)

Agreements with PAULS Corp, LLC ("PAULS Corp")

The following table summarizes our fees paid and costs reimbursed to an affiliate of PAULS Corp, Pauls Realty Services, LLC ("PRS") for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Total costs incurred under the Property Management Agreement	**$ (285)**	$ (99)	**$ (841)**	$ (352)

SECTION III

INVESTMENT PROPERTIES

Investment property continuity

Changes in the value of our investment properties by region, including assets held for sale, for the nine months ended September 30, 2019 are summarized in the following table:

							Nine months ended
	January 1, 2019	Property acquisitions	Dispositions and reclassifications to assets held for sale	Building improvements, lease incentives and initial direct leasing costs	Fair value adjustments	Amortization of lease incentives, foreign currency translation and other adjustments	September 30, 2019
Western Canada	$ 627,354	$ 8,263	$ (6,500)	$ 7,619	$ (5,392)	$ (526)	$ 630,818
Ontario	610,470	44,010	(5,150)	5,118	67,018	21	721,487
Québec	353,351	33,720	—	2,941	18,787	(440)	408,359
U.S.	293,549	272,700	—	526	10,307	(8,639)	568,443
Eastern Canada	253,687	—	(254,970)	3,321	(1,941)	(97)	—
Total investment properties	$ 2,138,411	$ 358,693	$ (266,620)	$ 19,525	$ 88,779	$ (9,681)	$ 2,329,107
Total assets held for sale	$ 3,900	$ —	$ 666	$ 1,058	$ (450)	$ (24)	$ 5,150

Acquisitions

The following acquisitions were completed during the nine months ended September 30, 2019:

	Acquired GLA (thousands of sq. ft.)	Occupancy at acquisition (%)	WALT at acquisition (years)	Purchase price[1]	Date acquired
Midwest U.S. portfolio[2]	3,523	91.1	3.8	$ 240,575	March 1, 2019
1602 Tricont Avenue, Whitby, Ontario	257	98.1	7.7	36,765	April 30, 2019
8820 Smith's Mill Road, Columbus, Ohio	264	100.0	6.8	32,125	June 4, 2019
333 Wyecroft Road, Oakville, Ontario	43	100.0	3.4	7,245	June 13, 2019
1250–1280 Humber Place, Ottawa, Ontario	233	100.0	4.5	33,720	July 22, 2019
Saskatchewan portfolio[3]	59	87.0	3.1	8,263	August 30, 2019
Total	4,379	92.6	4.2	$ 358,693	

(1) Includes transaction costs.

(2) Midwest U.S. portfolio includes 21 investment properties: four in Chicago, Illinois; two in Cincinnati, Ohio; 12 in Columbus, Ohio; two in Indianapolis, Indiana; and one in Louisville, Kentucky.

(3) Saskatchewan portfolio includes 50% interest in six investment properties in Regina, Saskatchewan, previously co-owned with a related party, DHAAT.

Assets held for sale

As at September 30, 2019, the Trust classified as held for sale one property in the Ontario region.

On June 30, 2019, the Trust classified as assets held for sale all of the investment properties in the Eastern Canada region. Prior to June 30, 2019, there was one property also located in the Eastern Canada region that was classified as an asset held for sale.

On July 31, 2019, the Trust completed the sale of the Eastern Canada portfolio for gross proceeds net of adjustments and before transaction costs of $259.5 million.

Dispositions

For the nine months ended September 30, 2019, the Trust disposed of the following properties:

	Sale price[1]	Date disposed
9601 156th Avenue, Grande Prairie, Alberta	$ 6,500	May 24, 2019
Eastern Canada portfolio[2]	259,454	July 31, 2019
Total	$ 265,954	

(1) Sale price reflects gross proceeds net of adjustments and before transaction costs.

(2) Consists of 38 investment properties in Dartmouth, Nova Scotia, and Moncton, New Brunswick.

Fair value adjustments to investment properties

For the three months ended September 30, 2019, the Trust recorded a fair value gain of $7.0 million, mainly driven by fair value gains in the Ontario and Québec regions of $3.0 million and $6.3 million, respectively, partially offset by fair value losses in the Western Canada region of $2.6 million. The fair value gain in Ontario was largely due to select properties in the GTA primarily driven by increased leasing activity. The fair value gain in Québec was due to capitalization rate ("cap rate") compression and higher market rent assumptions. The fair value loss in Western Canada was due to changes in leasing assumptions reflecting a more challenging leasing environment in that region.

For the nine months ended September 30, 2019, the Trust recorded a fair value gain of $90.7 million in continuing operations, mainly driven by fair value gains in the Ontario, Québec and U.S. regions of $67.0 million, $18.8 million and $10.3 million, respectively. The fair value gain in Ontario was mainly due to cap rate compression and higher market rent assumptions, primarily in the GTA. The fair value gain in Québec was due to changes in leasing assumptions, cap rate compression and higher market rent assumptions. The fair value gain in the U.S. was largely due to cap rate compression on certain properties in the U.S., partially offset by the write-off of transaction costs on acquired investment properties in the U.S. Partially offsetting the fair value gains was a $5.4 million fair value loss in Western Canada due to changes in leasing assumptions reflecting a more challenging leasing environment.

Foreign currency translation

For the three and nine months ended September 30, 2019, the foreign currency translation impact on our U.S. portfolio was a gain of $6.7 million and a loss of $9.4 million, respectively, due to U.S. dollar foreign exchange movements relative to the Canadian dollar.

Significant assumptions used in the valuation of investment properties

The Trust values its investment properties using both the capitalization rate method and the discounted cash flow method. The results of both methods are evaluated by considering the range of values calculated under both methods on a property by property basis.

The significant valuation metrics used in the capitalization rate method are cap rates and stabilized net operating income.

The following table summarizes cap rate by region as at September 30, 2019 and December 31, 2018.

	Total portfolio(1)			
	September 30, 2019		December 31, 2018	
	Range (%)	**Weighted average (%)(2)**	Range (%)	Weighted average (%)(2)
Western Canada	**5.75–8.25**	**6.58**	6.00–8.00	6.62
Ontario	**4.50–7.50**	**5.29**	5.00–7.50	5.58
Québec	**5.75–6.50**	**6.19**	6.00–7.00	6.25
Eastern Canada	**—**	**—**	6.50–9.25	7.22
Total Canada	**4.50–8.25**	**5.95**	5.00–9.25	6.29
Total U.S.	**5.75–7.00**	**6.36**	6.00–6.60	6.33
Total portfolio	**4.50–8.25**	**6.05**	5.00–9.25	6.29

(1) Excludes properties acquired during the respective three months ended and assets held for sale at the end of each period.

(2) Weighted average based on investment property fair value.

In addition to the cap rates noted above, excluding assets held for sale at period-end and investment properties acquired during the quarter, the stabilized NOI used in the cap rate method as at September 30, 2019 was $140.0 million. The stabilized NOI used in the cap rate method as at December 31, 2018 was $138.4 million.

The significant valuation metrics used in the discounted cash flow method as at September 30, 2019 and December 31, 2018 are set out in the table below:

	Total portfolio(1)			
	September 30, 2019		December 31, 2018	
	Range (%)	**Weighted average (%)(2)**	Range (%)	Weighted average (%)(2)
Discount rate	**5.38–9.00**	**7.02**	6.00–9.00	7.16
Terminal cap rate	**5.00–8.50**	**6.40**	5.50–8.00	6.55

(1) Excludes properties acquired during the respective three months ended and assets held for sale at the end of each period.

(2) Weighted average based on investment property fair value.

In addition to the discount rate and terminal cap rate assumptions noted above, excluding assets held for sale at period-end and investment properties acquired during the quarter, the weighted average market rent per square foot used in the discounted cash flow method at September 30, 2019 was $6.98, the average leasing cost per square foot was $4.18 and the weighted average vacancy rate assumption was 3.08%. As at December 31, 2018, the weighted average market rent per square foot was $7.38, the average leasing cost per square foot was $4.17 and the weighted average vacancy rate assumption was 3.11%.

Valuations of externally appraised properties

For the nine months ended September 30, 2019, there were 56 investment properties valued by qualified external valuation professionals with a fair value of $474.6 million, representing 20.4% of the total investment property values (for the year ended December 31, 2018 – 47 investment properties with an aggregate fair value of $655.6 million, representing 30.7% of the total investment property values).

Building improvements

Building improvements represent investments made in our investment properties to ensure optimal building performance, to improve the experience of our tenants, as well as to reduce operating costs. In order to retain desirable rentable space and to generate adequate revenue over the long term, we must maintain or, in some cases, improve each property's condition to meet market demand.

Recoverable capital expenditures are recovered from tenants in accordance with their leases over the useful life of the building improvements plus an imputed interest charge and management fee.

Non-recoverable capital expenditures are not recovered from tenants and are costs incurred to repair or maintain the property's structural condition.

Value-add capital expenditures include upgrades completed on certain properties that are expected to increase the Trust's ability to attract tenants and obtain higher rental rates.

The following table summarizes building improvements incurred for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Recoverable capital expenditures	**$ 2,384**	$ 3,153	**$ 5,944**	$ 6,716
Non-recoverable capital expenditures	**9**	221	**429**	579
Value-add capital expenditures	**409**	357	**1,352**	1,356
Building improvements – continuing operations(1)	**2,802**	3,731	**7,725**	8,651
Add: Building improvements – Eastern Canada(2)	**—**	1,092	**933**	2,041
Total building improvements	**$ 2,802**	$ 4,823	**$ 8,658**	$ 10,692

(1) Excludes Eastern Canada portfolio in the current and comparative period.

(2) Includes activity prior to the Eastern Canada region being reclassified to assets held for sale.

Lease incentives and initial direct leasing costs

Refer to the section "Lease incentives and initial direct leasing costs" under the heading "Our Operations" for further discussion.

OUR FINANCING

Our discussion of financing activities includes debt related to assets held for sale.

Our debt strategy includes managing our maturity schedule to help mitigate interest rate risk and limit exposure in any given year, as well as fixing the rates and extending loan terms as long as possible when interest rates are favourable.

Debt summary

The key performance indicators in the management of our debt are as follows:

		As at
	September 30, 2019	December 31, 2018
Financing metrics(1)		
Total debt	**$ 861,695**	$ 937,730
Weighted average face interest rate on debt (period-end)(2)	**3.69%**	3.65%
Weighted average remaining term to maturity on debt (years)	**4.9**	4.4
Interest coverage ratio (times)(3)(4)	**3.8**	3.3
Level of debt (net debt-to-assets ratio)(3)	**31.4%**	43.5%
Net debt-to-adjusted EBITDAFV (years)(3)	**5.4**	7.2
Unencumbered assets(3)(4)	**$ 345,324**	$ 190,694
Available liquidity(3)	**280,097**	103,162

(1) Financing metrics include assets and liabilities classified as held for sale and income from discontinued operations.

(2) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt as at period-end.

(3) Interest coverage ratio, level of debt (net debt-to-assets ratio), net debt-to-adjusted EBITDAFV, unencumbered assets and available liquidity are non-GAAP measures. The descriptions and calculations of these measures are included under the heading "Non-GAAP Measures and Other Disclosures".

(4) Interest coverage ratio and unencumbered assets (non-GAAP measures) have been restated in the comparative periods to conform to current period presentation. For further details, please refer to the section "Non-GAAP Measures and Other Disclosures" under the headings "Interest coverage ratio" and "Unencumbered assets".

We ended the quarter with an interest coverage ratio of 3.8 times, level of debt (net debt-to-assets ratio) of 31.4% and net debt-to-adjusted EBITDAFV of 5.4 years. Our available liquidity of approximately $280.1 million comprises undrawn revolving credit facilities totalling approximately $150 million and $130.1 million of cash and cash equivalents on hand as at September 30, 2019.

Liquidity and capital resources

Dream Industrial REIT's primary sources of capital are cash generated from (utilized in) operating activities, credit facilities, mortgage financing and refinancing, and equity and debt issues. Our primary uses of capital include the payment of distributions, costs of attracting and retaining tenants, recurring property maintenance, major property improvements, debt principal repayments, interest payments and property acquisitions. We expect to meet all of our ongoing obligations with current cash and cash equivalents, cash generated from operations, draws on the revolving credit facility, conventional mortgage refinancings and, as growth requires and when appropriate, new equity or debt issues.

In our condensed consolidated financial statements, our current assets exceed our current liabilities by $67.7 million. Typically, real estate entities seek to address liquidity needs by having a balanced debt maturity schedule, undrawn credit facilities and a pool of unencumbered assets. We are able to use our revolving credit facility on short notice, which eliminates the need to hold a significant amount of cash and cash equivalents on hand. Working capital balances fluctuate significantly from period-to-period depending on the timing of receipts and payments. Scheduled principal repayments that are due within one year total $23.7 million, and debt maturities that are due within one year total $17.1 million. The debt maturities are typically refinanced with mortgages of terms between five and ten years. Amounts payable outstanding at the end of any reporting period depend primarily on the timing of leasing costs and capital expenditures incurred, as well as the impact of transaction costs incurred on any acquisitions or dispositions completed during the reporting period. With our balanced debt maturity schedule, undrawn revolving credit facility of $150 million, cash and cash equivalents of $130.1 million and unencumbered assets pool of $345.3 million, we have sufficient liquidity and capital resources as at September 30, 2019.

Financing activities

The following table highlights new mortgage financing activities completed for the nine months ended September 30, 2019:

Date of financing	Location of secured properties		Amount[(1)]	Term to maturity (years)	Face interest rate
New mortgages					
January 11, 2019	Columbus, Ohio	$	48,528	10.0	4.57%
July 30, 2019	Ontario, Western Canada		50,000	10.0	3.17%
Assumed mortgages					
August 30, 2019	Western Canada		5,384	1.3	3.25%

(1) Excludes financing costs.

On July 30, 2019, in connection with the sale of the Eastern Canada portfolio, the Trust amended a portfolio mortgage which was partially secured by certain Eastern Canada assets, totalling $41.1 million at an annual interest rate of 3.68%. The Eastern Canada properties were discharged, and the Trust concurrently entered into a new $50.0 million portfolio mortgage secured by the remaining investment properties, for a ten-year term at an annual interest rate of 3.17%. The portfolio mortgage is interest-only during the first three years.

On July 31, 2019, the Trust discharged Eastern Canada portfolio mortgages totalling $36.2 million. In addition, the Trust substituted collateral on one mortgage totalling $10.5 million and two portfolio mortgages where the pro rata allocation to Eastern Canada assets was $14.2 million with all terms remaining unchanged.

On August 30, 2019, in connection with the acquisition of the remaining 50% interest in six investment properties in Regina, Saskatchewan, previously co-owned with a related party, DHAAT, the Trust assumed the remaining 50% interest in mortgages associated with the properties, totalling $5.4 million at an annual interest rate of 3.25%.

Demand revolving credit facilities

On July 31, 2019, the Trust removed the five secured investment properties in Eastern Canada from the revolving credit facility and on September 27, 2019, the Trust replaced them with two investment properties in Ontario and two investment properties in Western Canada. The borrowing limit remained at $150 million.

Refer to Note 8 of the condensed consolidated financial statements for details on our demand revolving credit facilities.

Composition and continuity of total debt

Refer to Notes 7 and 8 of the condensed consolidated financial statements for details on our composition and continuity of debt.

Our current total debt profile is balanced with maturities well-distributed over the next 11 years. The following is our total debt as at September 30, 2019:

	Debt balance due at maturities	Scheduled principal repayments on non-maturing debt	Amount	Weighted average face rate on balance due at maturity (%)
Remainder of 2019	$ —	$ 5,657	$ 5,657	—
2020	29,867	24,178	54,045	2.96
2021	144,479	22,202	166,681	4.10
2022	95,666	17,298	112,964	3.13
2023	138,704	12,473	151,177	3.63
2024–2030	336,254	39,770	376,024	3.76
Total	$ 744,970	$ 121,578	$ 866,548	3.69
Unamortized financing costs			(5,959)	
Unamortized fair value adjustments			1,106	
Total debt			$ 861,695	

Commitments and contingencies

We are contingently liable with respect to guarantees that are issued in the normal course of business and with respect to litigation and claims that may arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on our condensed consolidated financial statements.

OUR EQUITY

Total equity

Our discussion of equity includes LP B Units, which are economically equivalent to REIT Units. However, pursuant to IFRS, the LP B Units are classified as a liability in our condensed consolidated financial statements.

				As at
	September 30, 2019		December 31, 2018	
	Number of Units	**Amount**	Number of Units	Amount
REIT Units and Unitholders' equity	**120,821,529**	**$ 1,192,070**	92,062,659	$ 887,757
Retained earnings	**—**	**103,018**	—	90,621
Accumulated other comprehensive income	**—**	**5,486**	—	10,947
Total equity per condensed consolidated financial statements	**120,821,529**	**1,300,574**	92,062,659	989,325
Add: LP B Units	**18,551,855**	**245,441**	18,551,855	176,613
Total equity (including LP B Units)[(1)]	**139,373,384**	**$ 1,546,015**	110,614,514	$ 1,165,938
NAV per Unit[(1)]		**$ 11.09**		$ 10.54

(1) Total equity (including LP B Units) and NAV per Unit are non-GAAP measures defined in the section "Non-GAAP Measures and Other Disclosures".

Our Declaration of Trust authorizes the issuance of an unlimited number of two classes of units: REIT Units and Special Trust Units.

The Special Trust Units may only be issued to holders of LP B Units, are not transferable separately from these Units and are used to provide voting rights with respect to Dream Industrial REIT to persons holding LP B Units. The LP B Units are held by wholly owned subsidiaries of Dream Office REIT. Both the REIT Units and the Special Trust Units entitle the holder to one vote for each Unit at all meetings of the unitholders. The LP B Units are exchangeable on a one-for-one basis for REIT Units at the option of the holder. The LP B Units and corresponding Special Trust Units together have economic and voting rights equivalent in all material respects to REIT Units. The REIT Units have economic and voting rights equivalent in all material respects to each other.

During the three months ended September 30, 2019, under the Distribution Reinvestment and Unit Purchase Plan ("DRIP") and the distribution reinvestment provisions of the amended and restated limited partnership agreement governing Dream Industrial LP, for LP B Units and REIT Units, the Trust issued 392,333 REIT Units (1,229,119 REIT Units for the nine months ended September 30, 2019) to the subsidiaries of Dream Office REIT for a total cost of $4.8 million ($14.2 million for the nine months ended September 30, 2019). As at September 30, 2019, Dream Office REIT, directly and indirectly through its wholly owned subsidiaries, held 8,429,855 REIT Units and 18,551,855 LP B Units, representing 19.4% ownership in the Trust (23.3% at December 31, 2018).

Continuity of equity

The following table summarizes the changes in our outstanding equity:

	REIT Units	LP B Units	Total Units
Total Units outstanding on January 1, 2019	92,062,659	18,551,855	110,614,514
Units issued pursuant to public offerings (February 13, 2019 and April 25, 2019)	26,277,500	—	26,277,500
Units issued pursuant to DRIP	2,390,229	—	2,390,229
Units issued pursuant to DUIP and Unit Purchase Plan	91,141	—	91,141
Total Units outstanding on September 30, 2019	120,821,529	18,551,855	139,373,384
Percentage of all Units	86.7%	13.3%	100.0%
Units issued pursuant to DRIP	257,565	—	257,565
Units issued pursuant to DUIP and Unit Purchase Plan	39,912	—	39,912
Total Units outstanding on November 5, 2019[(1)]	121,119,006	18,551,855	139,670,861
Percentage of all Units	86.7%	13.3%	100.0%

(1) The date of this report.

Public offering of REIT Units

On February 13, 2019, the Trust completed a public offering of 13.8 million REIT Units at a price of $10.45 per REIT Unit for gross proceeds of $144.2 million, including 1.8 million REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

On April 25, 2019, the Trust completed a public offering of 12.5 million REIT Units at a price of $11.55 per REIT Unit for gross proceeds of $144.1 million, including 1.6 million REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

Short form base shelf prospectus

On September 15, 2017, the Trust filed and obtained receipts for a final short form base shelf prospectus which is valid for a 25-month period, during which time the Trust may, from time to time, offer and issue REIT Units, subscription receipts, and debt securities convertible into or exchangeable for REIT Units of the Trust, or any combination thereof, having an aggregate offering price of up to $1 billion. As at September 30, 2019, $518.9 million (December 31, 2018 – $230.6 million) of REIT Units have been issued under the short form base shelf prospectus.

On October 15, 2019, the Trust filed and obtained receipts for a final short form base shelf prospectus dated October 11, 2019, which is valid for a 25-month period, during which time the Trust may, from time to time, offer and issue Units, subscription receipts, and debt securities, or any combination thereof, having an aggregate offering price of up to $2 billion.

Distribution policy

Dream Industrial REIT's Declaration of Trust provides the Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust.

We currently pay monthly distributions of $0.05833 per REIT Unit, or $0.70 per REIT Unit on an annual basis. Similar to other non-GAAP measures such as total equity (including LP B Units), our discussion of distributions includes LP B Units, which are economically equivalent to REIT Units. However, pursuant to IFRS, the LP B Units are classified as a liability in our condensed consolidated financial statements.

The following table summarizes the total distributions and DRIP participation rate for the three months and nine months ended September 30, 2019 and September 30, 2018:

		Three months ended September 30, 2019			Three months ended September 30, 2018	
		Amount	**% of total**		Amount	% of total
Distributions reinvested less 3% bonus distribution (DRIP participation rate)(1)	**$**	**10,037**	**41.2%**	$	7,187	37.5%
Distributions paid in cash		**14,305**	**58.8%**		11,986	62.5%
Total distributions excluding 3% bonus distribution		**24,342**	**100.0%**		19,173	100.0%
3% bonus distribution		**300**			213	
Total distributions(1)	**$**	**24,642**		$	19,386	

(1) Total distributions and DRIP participation rate are non-GAAP measures. See "Non-GAAP Measures and Other Disclosures" for a description of these non-GAAP measures.

		Nine months ended September 30, 2019			Nine months ended September 30, 2018	
		Amount	**% of total**		Amount	% of total
Distributions reinvested less 3% bonus distribution (DRIP participation rate)(1)	**$**	**27,672**	**39.8%**	$	20,269	38.2%
Distributions paid in cash		**41,929**	**60.2%**		32,827	61.8%
Total distributions excluding 3% bonus distribution		**69,601**	**100.0%**		53,096	100.0%
3% bonus distribution		**824**			594	
Total distributions(1)	**$**	**70,425**		$	53,690	

(1) Total distributions and DRIP participation rate are non-GAAP measures. See "Non-GAAP Measures and Other Disclosures" for a description of these non-GAAP measures.

Cash flows from operating activities and total distributions (a non-GAAP measure)

The Trust anticipates that future cash flows generated from (utilized in) operating activities may be less than total distributions (a non-GAAP measure). With a conservative balance sheet, significant liquidity and a plan to improve and grow our portfolio, the Trust does not anticipate suspending the cash distributions in the foreseeable future.

To the extent that cash generated from (utilized in) operating activities may be less than the total distributions (a non-GAAP measure), the Trust will fund the shortfalls with cash and cash equivalents on hand and with the amounts available on the revolving credit facility. The use of the revolving credit facility may involve risks compared with using cash and cash equivalents on hand as a source of funding, such as the risk that interest rates may rise in the future, which may make it more expensive for the Trust to borrow under the revolving credit facility, and the risk associated with increasing the overall indebtedness of the Trust. In the event that shortfalls exist, the Trust does not anticipate cash distributions will be suspended in the foreseeable future but does expect that there could be timing differences between the execution of our acquisition strategy and asset recycling opportunities and the redeployment of capital raised from equity offerings. Accordingly, to the extent there are shortfalls, distributions may be considered an economic return of capital. The Trust determines the distribution rate by, among other considerations, its assessment of cash flows generated from (utilized in) operating activities. Dream Industrial REIT's Declaration of Trust provides the Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust.

In any given period, the Trust anticipates that net income (loss) will continue to vary from total distributions (a non-GAAP measure) as net income (loss) includes non-cash items such as fair value adjustments to investment properties and financial instruments. Accordingly, the Trust does not use net income (loss) as a proxy for determining distributions.

In any given period, actual cash flows generated from (utilized in) operating activities may differ from total distributions (a non-GAAP measure), primarily due to fluctuations in non-cash working capital and the impact of leasing costs, which fluctuate with lease maturities, renewal terms, the type of asset being leased and when tenants fulfill the terms of their respective lease agreements. These seasonal fluctuations, or the unpredictability of when leasing costs are incurred, are funded with our cash and cash equivalents on hand and, if necessary, with our existing revolving credit facility.

The following table summarizes net income (loss), cash flows generated from (utilized in) operating activities included in the condensed consolidated financial statements and total distributions (a non-GAAP measure) for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Net income (loss)	**$ (2,966)**	$ 29,960	**$ 72,790**	$ 91,073
Cash generated from operating activities	**20,646**	19,735	**59,879**	54,181
Total distributions(1)	**24,642**	19,386	**70,425**	53,690

(1) Total distributions is a non-GAAP measure. See "Non-GAAP Measures and Other Disclosures" under the heading "Total distributions".

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table outlines the differences between net income (loss) and total distributions (a non-GAAP measure), as well as the differences between cash generated from (utilized in) operating activities and total distributions (a non-GAAP measure), in accordance with the guidelines.

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Excess (shortfall) of net income (loss) over total distributions(1)	**$ (27,608)**	$ 10,574	**$ 2,365**	$ 37,383
Excess (shortfall) of cash generated from operating activities over total distributions(1)	**(3,996)**	349	**(10,546)**	491

(1) Total distributions is a non-GAAP measure. See "Non-GAAP Measures and Other Disclosures" under the heading "Total distributions".

For the three months ended September 30, 2019, total distributions (a non-GAAP measure) exceeded net loss by $27.6 million, primarily as a result of non-cash items such as fair value losses to financial instruments, partially offset by fair value gains to investment properties. For the nine months ended September 30, 2019, net income exceeded total distributions (a non-GAAP measure) by $2.4 million, mainly due to non-cash items such as fair value gains to investment properties, partially offset by fair value losses to financial instruments. For the three and nine months ended September 30, 2018, net income exceeded total distributions (a non-GAAP measure) by $10.6 million and $37.4 million, respectively.

For the three and nine months ended September 30, 2019, total distributions (a non-GAAP measure) exceeded cash generated from operating activities by $4.0 million and $10.5 million, respectively, due to timing differences between the realization of working capital, investment in lease incentives and initial direct leasing costs, and the redeployment of capital raised from the February 2019 and April 2019 equity offerings. For the three and nine months ended September 30, 2018, cash generated from operating activities exceeded total distributions (a non-GAAP measure) by $0.3 million and $0.5 million, respectively.

Of the total distributions (a non-GAAP measure) declared for the three and nine months ended September 30, 2019, $10.3 million and $28.5 million, respectively, were reinvested in the DRIP (including 3% bonus distributions). Over time, reinvestments pursuant to the DRIP will increase the number of Units outstanding, which may result in upward pressure on the total amount of cash distributions. Our Declaration of Trust provides our Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust, which allows for any unforeseen expenditures and the variability in cash distributions as a result of additional Units issued pursuant to the Trust's DRIP.

SECTION IV

QUARTERLY INFORMATION

The following tables show quarterly information since October 1, 2017:

Key portfolio, leasing, financing and capital information

			2019				2018	2017
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Portfolio(1)									
Number of properties		**209**	209	244	223	222	219	219	215
GLA (in millions of sq. ft.)		**21.8**	21.6	23.7	20.2	20.1	19.1	19.1	17.2
Leasing(1)									
Occupancy rate – in-place and committed		**96.2%**	96.9%	96.5%	97.1%	96.8%	96.6%	97.1%	96.6%
Occupancy rate – in-place		**95.8%**	96.3%	95.3%	95.7%	95.5%	95.2%	96.0%	95.7%
Tenant retention ratio		**46.5%**	82.0%	72.6%	74.7%	78.2%	75.4%	82.7%	77.6%
Average in-place and committed base rent per sq. ft. – Canada	**$**	**7.39** $	7.29 $	7.26 $	7.26 $	7.22 $	7.16 $	7.16 $	7.17
Average in-place and committed base rent per sq. ft. – U.S. (US$)	**$**	**3.85** $	3.81 $	3.81 $	3.93 $	3.93 $	3.55 $	3.55 $	4.08
Financing(2)									
Weighted average face interest rate on debt (period-end)(3)		**3.69%**	3.69%	3.72%	3.65%	3.62%	3.80%	3.77%	3.75%
Weighted average remaining term to maturity on debt (years)		**4.9**	4.4	4.4	4.4	4.3	4.1	3.9	3.8
Interest coverage ratio (times)(4)(5)		**3.8**	3.7	3.4	3.3	3.2	3.1	3.2	3.1
Level of debt (net debt-to-assets ratio)(4)		**31.4%**	37.4%	42.4%	43.5%	44.3%	41.4%	49.4%	47.9%
Net debt-to-adjusted EBITDAFV (years)(4)		**5.4**	6.4	7.1	7.2	7.0	6.8	7.8	7.3
Unencumbered assets (in millions)(4)(5)	**$**	**345.3** $	381.1 $	318.3 $	190.7 $	205.8 $	90.3 $	218.9 $	98.0
Available liquidity(4)	**$**	**280.1** $	95.4 $	77.2 $	103.2 $	86.7 $	320.2 $	94.7 $	177.7
Capital									
Total number of Units (in millions)(6)		**139.4**	138.5	125.3	110.6	109.8	109.1	94.6	93.7
Net asset value ("NAV") per Unit(4)	**$**	**11.09** $	11.04 $	10.61 $	10.54 $	10.12 $	10.05 $	9.85 $	9.35

(1) Total portfolio and leasing metrics exclude assets held for sale at the end of each period.

(2) Financing metrics include assets and liabilities classified as held for sale and income from discontinued operations at the end of each period.

(3) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt.

(4) Interest coverage ratio, level of debt (net debt-to-assets ratio), net debt-to-adjusted EBITDAFV, unencumbered assets, available liquidity and NAV per Unit are non-GAAP measures. See "Non-GAAP Measures and Other Disclosures" for a description of these non-GAAP measures.

(5) Interest coverage ratio and unencumbered assets (non-GAAP measures) have been restated in the comparative periods to conform to current period presentation. For further details, please refer to "Non-GAAP Measures and Other Disclosures" under the headings "Interest coverage ratio" and "Unencumbered assets".

(6) Total number of Units includes 18.6 million LP B Units, which are classified as a liability under IFRS.

Results of operations

Given that the entire Eastern Canada segment was classified as assets held for sale at the end of June 30, 2019 and subsequently sold on July 31, 2019, the associated results of operations were presented separately as income (loss) from discontinued operations in the condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2019 and September 30, 2018. The trailing quarters presented below were also restated to conform to current period presentation.

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Investment properties revenue	**$ 49,511**	$ 49,796	$ 45,040	$ 41,942	$ 39,495	$ 39,221	$ 39,785	$ 36,723
Investment properties operating expenses	**(13,593)**	(14,611)	(13,341)	(11,799)	(10,769)	(11,502)	(12,138)	(11,074)
Net rental income	**35,918**	35,185	31,699	30,143	28,726	27,719	27,647	25,649
Other income	**543**	198	210	50	343	170	94	390
Other expenses	**(14,960)**	(15,636)	(14,598)	(13,819)	(14,171)	(15,537)	(14,328)	(14,002)
Fair value adjustments and net losses on transactions and other activities	**(21,654)**	64,731	(28,595)	46,763	13,407	(590)	27,214	6,374
Income (loss) before income taxes and discontinued operations	**(153)**	84,478	(11,284)	63,137	28,305	11,762	40,627	18,411
Current and deferred income taxes (expense) recovery, net	**(503)**	(1,977)	(574)	(743)	778	(952)	(319)	306
Income (loss) from continuing operations, net of taxes	**(656)**	82,501	(11,858)	62,394	29,083	10,810	40,308	18,717
Income (loss) from discontinued operations, net of taxes	**(2,310)**	1,516	3,597	4,061	877	5,432	4,563	749
Net income (loss)	**$ (2,966)**	$ 84,017	$ (8,261)	$ 66,455	$ 29,960	$ 16,242	$ 44,871	$ 19,466
Other comprehensive income (loss)								
Unrealized gain (loss) on foreign currency translation, net of taxes	**4,680**	(8,397)	(1,709)	7,703	(2,375)	3,631	3,031	(1,079)
Unrealized gain (loss) on effective interest rate hedge, net of taxes	**—**	—	(35)	6	39	6	41	70
	4,680	(8,397)	(1,744)	7,709	(2,336)	3,637	3,072	(1,009)
Comprehensive income (loss)	**$ 1,714**	$ 75,620	$ (10,005)	$ 74,164	$ 27,624	$ 19,879	$ 47,943	$ 18,457

Reconciliation between net income (loss) and funds from operations

			2019				2018	2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net income (loss)	**$ (2,966)**	$ 84,017	$ (8,261)	$ 66,455	$ 29,960	$ 16,242	$ 44,871	$ 19,466
Add (deduct):								
Amortization of lease incentives[1]	**361**	388	492	374	364	374	314	334
Interest expense on subsidiary redeemable units	**3,344**	3,344	3,344	3,344	3,344	3,344	3,344	3,344
Fair value adjustments to investment properties[1]	**(6,587)**	(61,405)	(20,337)	(38,794)	(8,337)	(17,346)	(43,398)	1,476
Fair value adjustments to financial instruments	**28,191**	(1,505)	48,445	(8,876)	(4,462)	15,615	14,843	(5,499)
Costs on sale of investment properties[1]	**2,220**	419	—	—	—	—	—	—
Fair value adjustments of DUIP included in G&A expenses	**104**	75	95	26	49	49	31	19
Debt settlement costs[1]	**964**	—	—	—	—	—	—	—
5.25% convertible debentures redemption write-off[2]	**—**	—	—	—	1,932	—	—	—
Internal leasing costs[1]	**608**	747	737	820	805	885	789	822
Transaction cost recovery	**—**	—	—	—	(151)	—	—	—
Foreign exchange gain	**(69)**	(440)	(138)	—	—	—	—	—
Deferred income taxes expense (recovery)	**489**	1,977	574	711	(755)	962	438	(307)
FFO[3]	**$ 26,659**	$ 27,617	$ 24,951	$ 24,060	$ 22,749	$ 20,125	$ 21,232	$ 19,655
FFO per Unit – diluted[3][4][5]	**$ 0.19**	$ 0.20	$ 0.21	$ 0.22	$ 0.21	$ 0.21	$ 0.22	$ 0.23
FFO payout ratio – diluted[3]	**91.6%**	87.1%	83.7%	80.6%	85.0%	82.9%	78.1%	77.8%

(1) Amortization of lease incentives, fair value adjustments to investment properties, costs on sale of investment properties, debt settlement costs and internal leasing costs include amounts from continuing and discontinued operations.

(2) On August 2, 2018, the Trust recorded a $1.9 million write-off of unamortized financing costs and mark-to-market adjustments associated with the early repayment of the 5.25% convertible debentures.

(3) FFO, diluted FFO per Unit and diluted FFO payout ratio are non-GAAP measures. See "Non-GAAP Measures and Other Disclosures" for a description of these non-GAAP measures.

(4) The LP B Units are included in the calculation of diluted FFO per Unit.

(5) Diluted FFO per Unit excludes $0.6 million of interest expense on convertible debentures for the third quarter of 2018, $1.8 million for each preceding quarter in 2018 and $1.9 million for the fourth quarter of 2017.

NON-GAAP MEASURES AND OTHER DISCLOSURES

The following non-GAAP measures are important measures used by management in evaluating the Trust's underlying operating performance and debt management. These non-GAAP measures are not defined by IFRS, do not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

Funds from operations ("FFO")

Management believes FFO (including diluted FFO per Unit) is an important measure of our operating performance. This non-GAAP measurement is a commonly used measure of performance of real estate operations; however, it does not represent net income nor cash flows generated from (utilized in) operating activities, as defined by IFRS, and is not necessarily indicative of cash available to fund the Trust's needs. FFO is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

The Trust's reported FFO is consistent with the REALPAC definition of FFO, except for the treatment of debt settlement costs due to disposals of investment properties and the add-back of certain non-cash costs associated with the convertible debenture redemption in the third quarter of 2018.

The debt settlement costs associated with disposals of investment properties are primarily funded from net proceeds from dispositions and not from cash flows from operating activities. Thus, the Trust is of the view that the debt settlement costs due to disposals of investment properties should not be included in the determination of the Trust's FFO. The non-cash costs associated with the third-quarter 2018 convertible debenture redemption represented the accelerated write-off of unamortized financing costs and mark-to-market adjustments due to the early redemption of the convertible debentures. The Trust is of the view that such non-cash costs, which were non-recurring in nature, had no impact on the Trust's ongoing operations and accordingly should not be included in the determination of the Trust's FFO.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", FFO has been reconciled to net income (loss) under the heading "Reconciliation between net income (loss) and funds from operations".

Diluted FFO payout ratio

The diluted FFO payout ratio is calculated as the ratio of the distribution rate to diluted FFO per Unit. Management believes it is an important measure of the Trust's ability to pay distributions with its funds from operations. However, FFO payout ratio is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts. The calculation of diluted FFO payout ratio is included under the heading "Reconciliation between net income (loss) and funds from operations".

Weighted average number of Units

The basic weighted average number of Units includes the weighted average of all REIT Units, LP B Units, and vested but unissued deferred trust units and income deferred trust units.

The diluted weighted average number of Units outstanding used in the FFO per Unit calculation includes the basic weighted average number of Units, unvested deferred trust units and associated income deferred trust units. As at September 30, 2019, there were 385,613 unvested deferred trust units and associated income deferred trust units (September 30, 2018 – 448,586).

	Three months ended September 30,		Nine months ended September 30,	
Weighted average Units outstanding	**2019**	2018	**2019**	2018
Basic (in thousands)	**139,481**	109,950	**131,261**	99,964
Diluted (in thousands)	**139,873**	113,197	**131,649**	106,695

Comparative properties net operating income ("NOI")

Comparative properties NOI is a non-GAAP measure used by management in evaluating the performance of properties owned by the Trust in the current and comparative periods presented. This non-GAAP measure is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

When the Trust compares comparative properties NOI on a year-over-year basis and quarter-over-quarter basis, the Trust excludes investment properties acquired after January 1, 2018 and April 1, 2019, respectively, and assets held for sale or disposed of prior to or as at the current period. Comparative properties NOI also excludes lease termination fees and other rental income, straight-line rent, bad debt expenses, and amortization of lease incentives.

Given that the entire Eastern Canada segment was classified as assets held for sale at the end of June 30, 2019 and subsequently sold on July 31, 2019, the associated results of operations were presented separately as income (loss) from discontinued operations and excluded from comparative properties NOI in the current and prior periods.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", comparative properties NOI has been reconciled to net rental income under the headings "Comparative properties NOI (year-over-year comparison)" and "Comparative properties NOI (quarter-over-quarter comparison)".

Unencumbered assets

Unencumbered assets represent the value of investment properties that have not been pledged as collateral for the financing of the Trust's revolving credit facility or mortgages. This non-GAAP measure is used by management in assessing the borrowing capacity available to the Trust. However, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

Prior to June 30, 2019, unencumbered assets included assets held for sale. Effective September 30, 2019, the Trust has chosen to revise its definition of unencumbered assets to exclude assets held for sale as management is of the view that such revision will more accurately assess the borrowing capacity available to the Trust. Accordingly, unencumbered assets for the comparative periods have been restated to conform to current period presentation.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", the table below reconciles investment properties included in the condensed consolidated financial statements to unencumbered assets as at September 30, 2019 and December 31, 2018:

Amounts included in condensed consolidated financial statements		**September 30, 2019**		December 31, 2018
Investment properties	**$**	**2,329,107**	$	2,138,411
Less: Pledged as collateral		**1,983,783**		1,947,717
Unencumbered assets	**$**	**345,324**	$	190,694

Net asset value ("NAV") per Unit

NAV per Unit is calculated as the total equity (including LP B Units) divided by the total number of REIT Units and LP B Units. This non-GAAP measure is an important measure reflecting management's view of the intrinsic value of the Trust. However, NAV per Unit is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts. The calculation of NAV per Unit is included under the heading "Our Equity".

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", the table within the section "Our Equity" under the heading "Total equity" reconciles NAV per Unit to total equity (as per condensed consolidated financial statements).

Total equity (including LP B Units or subsidiary redeemable units)

One of the components used to determine the Trust's NAV per Unit is total equity (including LP B Units). Total equity (including LP B Units) is calculated as the sum of equity per condensed consolidated financial statements and the subsidiary redeemable units. Management believes it is important to include the subsidiary redeemable units for the purpose of determining the Trust's capital management. Management does not consider the subsidiary redeemable units to be debt or borrowings of the Trust, but rather a component of the Trust's equity. However, total equity (including LP B Units) is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", the table within the section "Our Equity" under the heading "Total equity" reconciles total equity (including LP B Units) to total equity (as per condensed consolidated financial statements).

Total distributions

Total distributions is calculated as the sum of the distributions on REIT Units and interest on subsidiary redeemable units. Management believes it is important to include interest on subsidiary redeemable units for the purpose of determining the Trust's total distributions to all of its unitholders. Management does not consider the interest on subsidiary redeemable units to be an interest expense of the Trust, but rather a component of the Trust's total distributions. However, total distributions is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", the table below reconciles total distributions to amounts as included in the condensed consolidated financial statements for the three and nine months ended September 30, 2019 and September 30, 2018.

	Three months ended September 30,				Nine months ended September 30,			
Amounts included in condensed consolidated financial statements		**2019**		2018		**2019**		2018
Distributions on REIT Units	**$**	**21,298**	$	16,042	**$**	**60,393**	$	43,658
Interest on subsidiary redeemable units		**3,344**		3,344		**10,032**		10,032
Total distributions	**$**	**24,642**	$	19,386	**$**	**70,425**	$	53,690

Distribution Reinvestment and Unit Purchase Plan ("DRIP") participation rate

The DRIP allows holders of REIT Units or subsidiary redeemable units, other than unitholders who are resident of or present in the U.S., to elect to have all cash distributions from the Trust reinvested in additional units. Unitholders under the DRIP are eligible to receive a bonus distribution of Units equal to 3% of the cash distribution reinvested.

The DRIP participation rate is the ratio of total distributions reinvested less bonus distribution over total distributions. Management believes it is an important measure in evaluating the impact the DRIP will have on the Trust's ability to sustain current distribution levels during the current and future periods. Over time, reinvestments pursuant to the DRIP will increase the number of Units outstanding, which may result in upward pressure on the total amount of cash distributions.

The calculation of the DRIP participation rate has been included under the heading "Distribution policy". DRIP participation rate is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", total distributions reinvested and total distributions paid in cash have been reconciled to amounts as included in the condensed consolidated financial statements for the three and nine months ended September 30, 2019 and September 30, 2018.

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Distributions reinvested as included in condensed consolidated financial statements	**$ 10,281**	$ 7,300	**$ 27,785**	$ 20,418
Less: Distributions reinvested pertaining to prior period	**(3,391)**	(2,342)	**(2,736)**	(1,997)
Add: Distributions reinvested on October 15	**3,447**	2,442	**3,447**	2,442
Less: 3% bonus distribution	**(300)**	(213)	**(824)**	(594)
Distributions reinvested less 3% bonus distribution	**$ 10,037**	$ 7,187	**$ 27,672**	$ 20,269

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Distributions paid in cash as included in condensed consolidated financial statements	**$ 14,310**	$ 12,045	**$ 40,946**	$ 32,331
Less: Distributions paid in cash pertaining to prior period	**(4,736)**	(4,053)	**(3,748)**	(3,498)
Add: Distributions paid in cash on October 15	**4,731**	3,994	**4,731**	3,994
Distributions paid in cash	**$ 14,305**	$ 11,986	**$ 41,929**	$ 32,827

Available liquidity

Available liquidity is defined as the sum of cash and cash equivalents and undrawn revolving credit facilities at period-end. Management believes that available liquidity, a non-GAAP measurement, is an important measure in determining our resources available to meet all of our ongoing obligations. This non-GAAP measure does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", the table below reconciles liquidity to cash and cash equivalents included in the condensed consolidated financial statements as at September 30, 2019 and December 31, 2018:

Amounts per condensed consolidated financial statements	**September 30, 2019**	December 31, 2018
Cash and cash equivalents	**$ 130,097**	$ 4,968
Undrawn revolving credit facility	**150,000**	98,194
Available liquidity	**$ 280,097**	$ 103,162

Level of debt (net debt-to-assets ratio)

Management believes that level of debt (net debt-to-assets ratio) is an important non-GAAP measure in the management of our debt levels. This non-GAAP measure does not have a standard meaning and may not be comparable with similar measures presented by other income trusts. Net debt-to-assets ratio as shown below is determined as total debt (including debt related to assets held for sale) at principal amount outstanding (total debt plus unamortized financing costs, less unamortized fair value adjustments), less cash and cash equivalents, all divided by total assets (net of cash and cash equivalents).

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", the following table calculates the level of debt (net debt-to-assets ratio) as at September 30, 2019 and December 31, 2018:

Amounts per condensed consolidated financial statements		**September 30, 2019**		December 31, 2018
Non-current debt	**$**	**821,753**	$	860,789
Current debt		**39,942**		76,941
Total debt		**861,695**		937,730
Add (deduct):				
Unamortized financing costs		**5,959**		5,804
Unamortized fair value adjustments		**(1,106)**		(1,641)
Total debt at principal amount outstanding		**866,548**		941,893
Less: Cash and cash equivalents		**(130,097)**		(4,968)
Net debt	**$**	**736,451**	$	936,925
Total assets		**2,478,685**		2,160,575
Less: Cash and cash equivalents		**(130,097)**		(4,968)
Total assets (net of cash and cash equivalents)	**$**	**2,348,588**	$	2,155,607
Net debt-to-assets ratio		**31.4%**		43.5%

Net debt-to-adjusted EBITDAFV

Management believes that net debt-to-adjusted EBITDAFV, a non-GAAP measurement, is an important measure in determining the time it takes the Trust, on a go forward basis, based on its normalized operating performance, to repay our debt. This non-GAAP measurement does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

Net debt-to-adjusted EBITDAFV as shown below is calculated as total debt (including debt related to assets held for sale) at principal amount outstanding (total debt plus unamortized financing costs, less unamortized fair value adjustments), less cash and cash equivalents, all divided by adjusted EBITDAFV – annualized. Adjusted EBITDAFV – annualized is calculated as the quarterly EBITDAFV plus normalized NOI of properties acquired in the quarter less NOI of properties disposed in the quarter. EBITDAFV is defined in the section below under the heading "Earnings before interest, taxes, depreciation, amortization and fair value adjustments ("EBITDAFV")".

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", the following table calculates the annualized net debt-to-adjusted EBITDAFV for the three months ended September 30, 2019 and December 31, 2018:

	Three months ended	
Amounts included in condensed consolidated financial statements	**September 30, 2019**	December 31, 2018
Non-current debt	**$ 821,753**	$ 860,789
Current debt	**39,942**	76,941
Total debt	**861,695**	937,730
Add (deduct):		
Unamortized financing costs	**5,959**	5,804
Unamortized fair value adjustments	**(1,106)**	(1,641)
Total debt at principal amount outstanding	**866,548**	941,893
Less: Cash and cash equivalents	**(130,097)**	(4,968)
Net debt	**$ 736,451**	$ 936,925
EBITDAFV(1) – quarterly	**35,030**	32,624
Add: Normalized NOI of properties acquired in the quarter(2)	**343**	49
Less: NOI of properties disposed in the quarter	**(1,539)**	—
Adjusted EBITDAFV – quarterly	**33,834**	32,673
Adjusted EBITDAFV – annualized	**$ 135,336**	$ 130,692
Net debt-to-adjusted EBITDAFV (years)	**5.4**	7.2

(1) EBITDAFV for the three months ended September 30, 2019 and December 31, 2018 (non-GAAP measures) have been reconciled to net income for the respective periods in the section below, under the heading "Earnings before interest, taxes, depreciation, amortization and fair value adjustments ("EBITDAFV")".

(2) Represents the incremental NOI had the acquisitions in the respective periods occurred for the full quarter, determined using the average daily NOI times the number of days the Trust did not own the properties.

Interest coverage ratio

Management believes that interest coverage ratio, a non-GAAP measurement, is an important measure in determining our ability to cover interest expense on debt based on our operating performance. The interest coverage ratio includes the results of continuing and discontinued operations. This non-GAAP measurement does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

Prior to December 31, 2018, interest coverage ratio was determined as net rental income plus interest and fee income, less general and administrative expenses, plus deferred unit compensation expense, all divided by interest expense on total debt excluding amortization of financing costs and fair value adjustments. Interest expense on subsidiary redeemable units was excluded from this ratio as it represents distributions on units; however, pursuant to IFRS, the distributions are presented as interest expense.

Effective January 1, 2019, the Trust has chosen to revise its calculation of interest coverage ratio to be calculated as the trailing 12-month EBITDAFV divided by the trailing 12-month interest expense on debt. Interest expense on subsidiary redeemable units continues to be excluded from this ratio. Management is of the view that such revision will more accurately reflect the ability of the Trust to meet its trailing 12-month interest expense on debt obligations. Accordingly, the interest coverage ratios for comparative periods have been restated to conform to current period presentation.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", the following table calculates the interest coverage ratio for the trailing 12-month period ended September 30, 2019 and for the year ended December 31, 2018.

	For the trailing 12-month period ended September 30, 2019(1)	For the year ended December 31, 2018(2)
EBITDAFV	**$ 138,045**	$ 123,865
Interest expense on debt	**36,256**	37,070
Interest coverage ratio (times)	**3.8**	3.3

(1) Trailing 12-month EBITDAFV and trailing 12-month interest expense on debt (non-GAAP measures) are calculated in the section below.

(2) EBITDAFV for the year ended December 31, 2018 (non-GAAP measure) has been reconciled to net income in the section below, under the heading "Earnings before interest, taxes, depreciation, amortization and fair value adjustments ("EBITDAFV")".

Trailing 12-month EBITDAFV and trailing 12-month interest expense on debt

Management believes that the trailing 12-month EBITDAFV and trailing 12-month interest expense on debt, both of which are non-GAAP measures, are important measures in identifying longer-term trends in property operating performance and the cost of the Trust's debt. These non-GAAP measurements do not have standard meanings and may not be comparable with similar measures presented by other income trusts.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", the following tables calculate EBITDAFV and interest expense on debt for the trailing 12-month period ended September 30, 2019.

	Trailing 12-month period ended September 30, 2019
EBITDAFV for the nine months ended September 30, 2019(1)	$ 105,421
Add: EBITDAFV for the year ended December 31, 2018(1)	123,865
Less: EBITDAFV for the nine months ended September 30, 2018(1)	(91,241)
Trailing 12-month EBITDAFV	$ 138,045

(1) EBITDAFV for the nine months ended September 30, 2019 and September 30, 2018 and for the year ended December 31, 2018 (non-GAAP measures) has been reconciled to net income for the respective periods in the section below, under the heading "Earnings before interest, taxes, depreciation, amortization and fair value adjustments ("EBITDAFV")".

	Trailing 12-month period ended September 30, 2019
Interest expense on debt for the nine months ended September 30, 2019(1)	$ 27,487
Add: Interest expense on debt for the year ended December 31, 2018	37,070
Less: Interest expense on debt for the nine months ended September 30, 2018(1)	(28,301)
Trailing 12-month interest expense	$ 36,256

(1) Includes interest expense on debt from continuing and discontinued operations per condensed consolidated financial statements.

Earnings before interest, taxes, depreciation, amortization and fair value adjustments ("EBITDAFV")

EBITDAFV is defined by the Trust as net income (loss) for the period adjusted for fair value adjustments to investment properties and financial instruments, net losses on transactions and other activities, interest expense, depreciation and amortization, other items included in investment properties revenues, and net current and deferred income taxes expense. The adjustments include activity from continuing and discontinued operations. This non-GAAP measurement is an important measure used by the Trust in evaluating property operating performance; however, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other income trusts.

In compliance with Canadian Securities Administrators Staff Notice 52-306 (Revised), "Non-GAAP Financial Measures", EBITDAFV has been reconciled to net income (loss) in the table below for the three and nine months ended September 30, 2019, the nine months ended September 30, 2018 and the three months and year ended December 31, 2018.

	For the three months ended		For the nine months ended		For the year ended
	September 30, 2019	December 31, 2018	**September 30, 2019**	September 30, 2018	December 31, 2018
Net income (loss) for the period	**$ (2,966)**	$ 66,455	**$ 72,790**	$ 91,073	$ 157,528
Add (deduct):					
Fair value adjustments to investment properties(1)	**(6,587)**	(38,794)	**(88,329)**	(69,081)	(107,875)
Fair value adjustments to financial instruments	**28,191**	(8,876)	**75,131**	25,996	17,120
Net losses on transactions and other activities(1)	**3,723**	820	**5,048**	4,260	5,080
Interest expense – debt(1)	**8,644**	8,769	**27,487**	28,301	37,070
Interest expense – subsidiary redeemable units	**3,344**	3,344	**10,032**	10,032	13,376
Depreciation and amortization	**8**	9	**35**	50	59
Other items included in investment properties revenues(2)	**170**	154	**173**	117	271
Current and deferred income taxes expense, net(1)	**503**	743	**3,054**	493	1,236
EBITDAFV for the period	**$ 35,030**	$ 32,624	**$ 105,421**	$ 91,241	$ 123,865

(1) Fair value adjustments to investment properties, net losses on transactions and other activities, interest expense – debt, and current and deferred income taxes expense, net include continuing and discontinued operations.

(2) Includes lease termination fees and other items, straight-line rent and amortization of lease incentives from continuing and discontinued operations.

SECTION V

DISCLOSURE CONTROLS AND OUR PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

At September 30, 2019, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Trust, along with the assistance of senior management, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to Dream Industrial REIT is made known to the CEO and CFO in a timely manner and information required to be disclosed by Dream Industrial REIT is recorded, processed, summarized and reported within the time periods specified in securities legislation, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the condensed consolidated financial statements in accordance with IFRS.

During the nine months ended September 30, 2019, there have not been any changes that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

SECTION VI

RISKS AND OUR STRATEGY TO MANAGE

We are exposed to various risks and uncertainties, many of which are beyond our control and could have an impact on our business, financial condition, operating results and prospects. Unitholders should consider these risks and uncertainties when assessing our outlook in terms of investment potential. For a discussion of the risks and uncertainties identified by Dream Industrial REIT, please refer to our 2018 Annual Report and our latest Annual Information Form filed on SEDAR at www.sedar.com.

SECTION VII

CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS IN APPLYING ACCOUNTING POLICIES

Preparing the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosures of contingent liabilities. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but that are inherently uncertain and unpredictable, the result of which is the basis of the carrying amounts of assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment in the future to the carrying amounts of the asset or liability affected. Dream Industrial REIT's critical accounting judgments, estimates and assumptions in applying accounting policies are described in Note 2 to the condensed consolidated financial statements and also in our annual consolidated financial statements for the year ended December 31, 2018.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Dream Industrial REIT's changes in accounting policies are described in Note 3 to the condensed consolidated financial statements for the nine months ended September 30, 2019.

Additional information

Additional information relating to Dream Industrial REIT, including the latest Annual Information Form of Dream Industrial REIT, is available on SEDAR at www.sedar.com.

SECTION VIII – PROPERTY LISTING

The table in this section includes supplementary information on our portfolio as at September 30, 2019.

Property	Owned share of total GLA in thousands of square feet	Clear ceiling height (warehouse component) in feet	Owned share of site area in acres	Number of tenants	Weighted average remaining lease term in years	In-place and committed occupancy
7140 40th Street SE, Calgary	352	30.0	13.8	1	10.1	100.0%
1919 84th Avenue (Park 19), Edmonton	49	21.0	3.7	1	4.8	100.0%
1802 Stock Road, Regina	46	28.0	3.6	1	3.7	100.0%
2721 Hopewell Place NE, Calgary	38	22.0	1.9	1	3.0	100.0%
204 26229 Township Road 531A (Parkland County), Edmonton	35	24.0	9.0	1	0.4	100.0%
6908 6th Street SE (Glenmore Business Park), Calgary	31	18.0	3.2	1	5.0	100.0%
3917 81st Avenue, Edmonton	30	28.0	5.5	1	1.6	100.0%
2876 Sunridge Way NE (Sunridge Business Park), Calgary	30	16.0	2.3	1	1.2	100.0%
3250 Sunridge Way NE (Sunridge Business Park), Calgary	27	24.0	2.1	1	0.8	100.0%
2240 Premier Way (GE Turbine), Edmonton	26	30.0	1.5	1	2.8	100.0%
363 and 345 Maxwell Crescent, Regina	23	24.0	3.4	1	1.4	100.0%
7121 6th Street SE (Glenmore Business Park), Calgary	19	20.0	0.9	1	2.2	100.0%
120 Pond Street East, Brooks	14	24.0	5.2	1	2.0	100.0%
1105 Pettigrew Avenue, Regina	12	18.0	2.1	1	3.6	100.0%
2190 Industrial Drive, Regina	12	18.0	2.7	0	-	0.0%
1640 Broder Street, Regina	11	16.0	1.1	1	4.3	100.0%
Western Canada Single-tenant	**755**	**26.2**	**62.0**	**15**	**6.2**	**98.5%**
310 Henderson Drive, Regina	376	24.0	24.0	2	4.0	100.0%
7803 35th Street SE, Calgary	189	20.0	10.2	6	3.3	100.0%
15303 128th Avenue, Edmonton	177	25.0	12.4	3	4.3	100.0%
611–615 71st Avenue SE & 7515 6th Street SE (Glenmore Business Park), Calgary	168	20.0	6.5	17	3.8	100.0%
628–668 Henderson Drive (Chestermere), Regina	164	19.0	9.1	19	1.8	89.8%
7504 30th Street SE, Calgary	139	22.0	6.0	2	3.0	100.0%
11445 163rd Street (Alberta Park), Edmonton	131	22.0	5.2	9	2.7	85.1%
9603–9699 45th Avenue NW, Edmonton	111	22.0	6.0	26	1.9	97.6%
603 Park Street, Regina	110	19.0	6.8	19	3.7	87.2%
3916 61st Avenue, Calgary	100	26.0	5.1	2	2.1	100.0%
7004–7042 30th Street SE, Calgary	94	18.0	5.3	8	5.3	95.6%
651 Henderson Drive (Henderson Business Centre), Regina	90	19.0	5.0	15	2.3	87.6%
26229 Township Road 531, Parkland County	89	24.7	6.5	13	2.1	97.6%
7008 5th Street SE (Glenmore Business Park), Calgary	86	17.0	3.7	6	1.6	86.4%
11404 Winterburn Rd NW, Edmonton	81	23.8	6.3	15	2.3	95.2%
7004 5th Street SE (Glenmore Business Park), Calgary	79	20.0	3.4	11	2.6	100.0%
9451 45th Avenue (Southwood Centre), Edmonton	75	28.0	4.5	2	1.3	100.0%
4710–4760 14th Street NE (McCall Industrial Park), Calgary	73	18.0	4.0	22	2.4	100.0%
2777 23rd Avenue NE (Sunridge Business Park), Calgary	67	24.0	3.8	1	6.2	80.4%
3510 29th Street NE (ACC Centre), Calgary	65	24.0	3.0	6	3.1	76.3%
7111 6th Street SE (Glenmore Business Park), Calgary	65	20.0	2.9	4	2.6	100.0%
3401 19th Street, Calgary	64	22.0	4.1	6	2.8	100.0%
2150 29th Street NE (Sunridge Business Park), Calgary	60	24.0	3.3	7	3.2	100.0%
7710 5th Street SE (Glenmore Business Park), Calgary	59	20.0	2.3	24	3.6	83.1%
550 71st Avenue SE (Glenmore Business Park), Calgary	59	12.0	2.6	7	2.6	97.4%
2175 29th Street NE (Sunridge Business Park), Calgary	58	24.0	3.5	3	2.7	100.0%
2256 29th Street NE (Sunridge Business Park), Calgary	58	24.0	3.5	4	5.0	100.0%
4403–4435 97th Street NW, Edmonton	58	24.0	3.2	5	3.2	100.0%
1139–1165 40th Avenue NE, Calgary	57	20.0	2.9	5	5.1	92.8%
2151 32nd Street NE (Sunridge Business Park), Calgary	57	24.0	3.4	6	3.2	100.0%
501–529 36th Avenue SE, Calgary	57	18.0	2.9	7	3.3	100.0%
2928 Sunridge Way NE (Sunridge Business Park), Calgary	57	24.0	4.1	3	2.6	100.0%
4504–4576 14th Street NE, Calgary	57	16.0	4.1	31	2.3	96.9%
6812 6th Street SE (Glenmore Business Park), Calgary	57	20.0	5.7	6	2.9	100.0%
2121 29th Street NE (Sunridge Business Park), Calgary	57	24.0	3.8	3	6.9	100.0%
402 McDonald Street (Imperial Business Centre), Regina	56	18.0	2.8	13	1.9	62.5%
2985 23rd Avenue NE (Sunridge Business Park), Calgary	54	24.0	3.0	4	5.1	100.0%
4402–4434 10th Street NE, Calgary	54	16.0	3.1	7	2.4	93.3%

Property	Owned share of total GLA in thousands of square feet	Clear ceiling height (warehouse component) in feet	Owned share of site area in acres	Number of tenants	Weighted average remaining lease term in years	In-place and committed occupancy
7003 5th Street SE (Glenmore Business Park), Calgary	53	20.0	2.7	14	3.3	100.0%
16134 114th Avenue NW, Edmonton	48	26.8	4.4	7	2.2	72.9%
2886 Sunridge Way NE (Sunridge Business Park), Calgary	44	24.0	3.5	5	7.3	100.0%
610 70th Avenue SE (Glenmore Business Park), Calgary	44	20.0	3.5	10	3.7	86.8%
1512–1514 8th Street, Edmonton	43	20.0	10.2	2	5.4	100.0%
535–561 36th Avenue SE, Calgary	41	16.0	1.9	2	6.4	100.0%
5824 Burbank Road SE, Calgary	40	20.0	2.4	6	3.9	100.0%
310 Hoffer Drive (McDonald Business Centre), Regina	38	18.0	2.8	5	2.3	100.0%
4001 19th Street, Calgary	37	22.0	2.5	9	2.7	100.0%
6810 6th Street SE (Glenmore Business Park), Calgary	32	19.0	3.2	3	1.4	100.0%
6804–6818 30th Street SE, Calgary	30	16.0	1.2	4	1.7	100.0%
7131 6th Street SE (Glenmore Business Park), Calgary	30	20.0	1.3	2	2.6	100.0%
6023–6039 Centre Street South, Calgary	29	15.0	1.5	6	2.7	100.0%
4502–4516 10th Street NE, Calgary	29	16.0	1.4	6	1.3	87.4%
16104 114th Avenue NW, Edmonton	29	20.0	4.4	6	2.5	100.0%
3030 Sunridge Way NE (Sunridge Business Park), Calgary	27	24.0	2.1	6	2.1	100.0%
6043–6055 Centre Street South, Calgary	25	15.0	1.3	4	2.5	85.7%
530–544 38A Avenue SE, Calgary	24	16.0	1.2	8	3.2	100.0%
7007 5th Street SE (Glenmore Business Park), Calgary	23	19.0	1.2	2	1.2	97.1%
616 71st Avenue SE (Glenmore Business Park), Calgary	22	21.0	1.0	3	3.6	100.0%
1135–1149 45th Avenue NE, Calgary	22	16.0	1.3	6	2.9	100.0%
6910 6th Street SE (Glenmore Business Park), Calgary	21	16.0	2.1	4	2.5	100.0%
4620–4640 11th Street NE, Calgary	21	16.0	1.4	11	2.1	100.0%
102–114 61st Avenue SW, Calgary	19	14.0	1.1	4	4.7	85.8%
4001–4019 23rd Street NE, Calgary	16	16.0	1.1	5	4.6	100.0%
2915–2925 58th Avenue SE, Calgary	16	16.0	1.0	4	2.6	84.6%
125 McDonald Street, Regina	14	13.0	1.2	2	2.9	71.9%
3503–3521 62nd Avenue SE, Calgary	13	13.0	1.2	9	2.0	100.0%
Western Canada Multi-tenant	**4,338**	**21.1**	**262.1**	**504**	**3.2**	**95.6%**
Western Canada	**5,093**	**21.8**	**324.1**	**519**	**3.7**	**96.0%**
275 Wellington Street East, Aurora	315	27.0	16.3	1	2.5	100.0%
45 Progress Avenue, Toronto	210	24.0	10.3	1	14.8	100.0%
3230 Mainway Drive, Burlington	208	21.0	9.9	1	6.0	100.0%
290 Humberline Drive, Etobicoke	180	20.0	6.9	1	3.3	100.0%
750 Creditstone Road, Vaughan	177	24.0	9.0	1	5.3	100.0%
121 Pippin Road, Vaughan	170	24.0	8.6	1	10.3	100.0%
580 Industrial Road, London	114	24.0	12.7	1	8.3	100.0%
441 Chrislea Road, Vaughan	101	22.0	4.1	1	6.8	100.0%
2130 South Service Road West, Oakville	98	24.0	4.4	1	3.4	100.0%
970 Fraser Drive, Burlington	95	28.0	6.9	1	8.3	100.0%
3 & 5 Blair Drive, Brampton	82	28.0	6.4	1	4.8	100.0%
274 Humberline Drive, Etobicoke	81	20.0	3.9	1	0.6	100.0%
2226 South Service Road West, Oakville	79	22.0	3.5	1	1.3	100.0%
9305 Twin Oaks Drive, Windsor	74	28.0	5.2	1	0.9	100.0%
2 Lone Oak Court, Toronto	72	24.0	4.4	1	2.8	100.0%
6885–6895 Menway Court, Mississauga	66	20.0	3.4	1	5.4	100.0%
896 Meyerside Drive, Mississauga	47	20.0	2.4	1	6.7	100.0%
880 Rangeview Road, Mississauga	46	24.0	3.2	1	3.1	100.0%
135 Pinebush Road, Cambridge	44	60.0	5.6	1	0.8	100.0%
5905 Kennedy Road, Mississauga	38	22.0	2.1	1	6.3	100.0%
6045 Kestrel Road, Mississauga	35	20.0	1.8	1	4.6	100.0%
2946 Walker Road, Windsor	32	22.0	4.0	1	3.3	100.0%
781 Westgate Road, Oakville	30	22.0	4.2	1	10.9	100.0%
6520 Gottardo Court, Mississauga	26	18.0	1.2	1	2.3	100.0%
750 Barmac Drive, Toronto	24	18.0	1.5	1	9.6	100.0%
7420 Pacific Circle, Mississauga	24	18.0	1.2	1	4.8	100.0%
1300 Fewster Road, Mississauga	24	14.0	1.2	1	1.8	100.0%
5805 Kennedy Road, Mississauga	22	18.0	1.0	1	4.1	100.0%
5380 Timberlea Boulevard, Mississauga	20	18.0	1.0	1	0.3	100.0%
5462 Timberlea Boulevard, Mississauga	18	18.0	1.0	1	0.7	100.0%
5370 Timberlea Boulevard, Mississauga	17	18.0	0.8	1	3.4	100.0%

Property	Owned share of total GLA in thousands of square feet	Clear ceiling height (warehouse component) in feet	Owned share of site area in acres	Number of tenants	Weighted average remaining lease term in years	In-place and committed occupancy
5750 Coopers Avenue, Mississauga	16	18.0	0.9	1	1.4	100.0%
5444 Timberlea Boulevard, Mississauga	15	18.0	0.9	1	0.8	100.0%
Ontario Single-tenant	**2,600**	**23.8**	**149.9**	**33**	**5.5**	**100.0%**
6581–6601 Kitimat Road, Mississauga	318	25.0	16.9	14	2.9	65.1%
1602 Tricont Avenue, Whitby	259	35.0	19.0	5	7.6	98.1%
161 West Mall, Toronto	205	50.0	10.5	2	6.3	100.0%
2360 Cornwall Road, Oakville	200	28.0	10.3	3	3.2	100.0%
45 A & B West Wilmot Street, Richmond Hill	189	19.0	8.0	40	3.0	100.0%
255 Wicksteed Avenue, Toronto	178	24.0	8.0	3	4.0	100.0%
2140–2150 Winston Park Drive, Mississauga	172	19.0	7.5	42	2.8	99.0%
90 Nolan Court, Markham	125	18.0	7.0	29	2.8	98.2%
55 Horner Avenue, Etobicoke	96	22.0	6.2	3	4.1	90.7%
4515/4525 Rhodes Drive, Windsor	92	22.0	9.0	6	3.1	71.0%
1111 Tristar Drive, Mississauga	78	22.0	3.7	2	1.4	100.0%
903–951 Matheson Boulevard, Mississauga	77	18.0	3.8	8	2.4	100.0%
1100 Courtney Park Drive, Mississauga	72	22.0	3.4	4	1.8	100.0%
100 Lingard Road, Cambridge	70	46.0	5.4	2	3.3	100.0%
5825–5895 Kennedy Road, Mississauga	68	15.0	3.4	8	3.2	100.0%
6400 Shawson Drive, Mississauga	62	22.0	2.9	3	4.2	100.0%
5554 Tomken Road, Mississauga	61	18.0	3.2	10	3.5	100.0%
6300 Viscount Road, Mississauga	60	16.0	4.3	4	1.4	100.0%
845 Harrington Court, Burlington	56	15.0	4.0	10	4.2	100.0%
5716–5730 Coopers Avenue, Mississauga	54	14.0	3.4	24	2.5	100.0%
855 Matheson Boulevard, Mississauga	47	18.0	2.0	12	3.1	100.0%
333 Wyecroft Road, Oakville	43	18.0	2.7	8	3.3	100.0%
5448 Timberlea Boulevard, Mississauga	32	16.0	1.8	2	3.5	100.0%
5430 Timberlea Boulevard, Mississauga	31	17.0	1.8	2	8.4	100.0%
5466 Timberlea Boulevard, Mississauga	29	18.0	1.6	2	4.1	100.0%
135 East Beaver Creek, Richmond Hill	29	17.0	1.8	5	0.8	100.0%
5420 Timberlea Boulevard, Mississauga	20	18.0	1.1	2	1.6	100.0%
Ontario Multi-tenant	**2,723**	**25.1**	**152.7**	**255**	**3.8**	**94.3%**
Ontario	**5,323**	**24.5**	**302.6**	**288**	**4.7**	**97.1%**
1411, 1421 and 1451 rue Ampère, Boucherville	458	27.0	21.6	1	5.7	100.0%
1900 Dickson Street (Molson Distribution Centre), Montréal	225	26.0	17.1	1	3.3	100.0%
2350 de la Province, Longueuil	222	20.0	11.5	1	2.3	100.0%
1125 50th Avenue, Montréal	211	26.0	13.3	1	5.0	100.0%
8000 Avenue Blaise-Pascal, Montréal	206	23.0	13.8	1	2.5	100.0%
1313 Autoroute Chomedey, Laval	184	26.0	8.1	1	5.7	100.0%
650 rue Bergeron, Drummondville	181	28.0	10.5	1	3.2	100.0%
10555 Henri-Bourassa Ouest, St-Laurent	121	22.0	10.5	1	1.3	100.0%
2340 St. Laurent Blvd., Ottawa	115	24.0	6.2	1	5.6	100.0%
101 Autoroute 440, Laval	68	22.0	4.6	1	3.7	100.0%
1805 50e Avenue, Lachine	61	19.0	2.3	1	1.7	100.0%
1421 rue Nobel, Sainte-Julie	51	22.0	4.3	1	2.1	100.0%
3700–3720 AutoRoute des Laurentides, Laval	50	24.0	3.6	1	2.8	100.0%
1870 Boulevard Saint-Régis, Dollard-des-Ormeaux	40	22.0	1.8	1	1.7	100.0%
29 rue de Varennes, Gatineau	24	20.0	3.4	1	1.3	100.0%
361 Boulevard Montpellier, St-Laurent	19	18.0	1.2	1	7.0	100.0%
Québec Single-tenant[(1)]	**2,236**	**24.5**	**133.8**	**16**	**3.9**	**100.0%**
1250–1280 Humber Place, Ottawa	231	26.0	11.7	7	4.3	100.0%
2995 Boulevard le Corbusier, Laval	131	24.0	4.7	7	3.0	99.8%
5000 rue Fairway & 1645 50e Avenue, Lachine	108	18.0	5.5	4	3.5	95.1%
1700–1764 50e Avenue, Lachine	95	24.0	4.2	1	2.1	96.8%
1100–1154 rue Berlier, Laval	92	18.0	4.5	9	1.4	100.0%
9090–9100 Boulevard Cavendish, St-Laurent	89	18.0	7.5	2	2.4	100.0%
333 Chemin du Tremblay, Boucherville	87	18.0	3.8	3	3.1	96.1%
1876–1936 32e Avenue, Lachine	85	18.0	4.7	3	5.3	100.0%
1500 rue Nobel, Boucherville	82	18.0	4.1	7	2.0	100.0%
2000 32e Avenue, Lachine	81	18.0	4.8	4	3.0	100.0%
1624–1692 50e Avenue, Lachine	79	19.0	4.3	6	1.6	95.5%
1151–1179 Autoroute 440, Laval	79	19.0	3.9	14	2.4	100.0%

Property	Owned share of total GLA in thousands of square feet	Clear ceiling height (warehouse component) in feet	Owned share of site area in acres	Number of tenants	Weighted average remaining lease term in years	In-place and committed occupancy
10001–10091 Renaude-Lapointe, Montréal	78	18.0	3.7	3	4.1	96.5%
2101 rue Nobel, Sainte-Julie	73	20.0	4.8	4	4.6	82.6%
1950 32e Avenue, Montréal	72	18.0	4.5	8	3.0	100.0%
1825–1865 32e Avenue, Montréal	72	18.0	4.9	9	2.8	100.0%
4300–4400 Boulevard Bois-Franc, St-Laurent	69	18.0	3.9	4	2.5	100.0%
4605–4645 rue Fairway & 1405–1465 46e Avenue, Lachine	61	19.0	4.0	5	3.5	100.0%
1010 rue Berlier & 2854–2870 Boulevard Industriel, Laval	59	19.0	3.1	7	1.7	100.0%
1025–1087 Autoroute 440, Laval	57	18.0	2.8	10	1.7	100.0%
585–625 Avenue Meloche, Dorval	55	18.0	2.7	2	3.8	100.0%
135 Chemin du Tremblay, Boucherville	50	16.0	2.4	8	1.9	84.8%
Québec Multi-tenant(1)	**1,885**	**19.9**	**100.5**	**127**	**3.0**	**97.9%**
Québec	**4,121**	**22.4**	**234.3**	**143**	**3.5**	**99.1%**
Total Canadian Portfolio	**14,537**	**22.9**	**861.0**	**950**	**4.0**	**97.3%**
445 Couchville Industrial Blvd, Nashville, TN	716	32.0	58.6	1	6.5	100.0%
860 Marine Drive, Charlotte, NC	472	30.0	26.0	1	3.3	100.0%
9000 Smith's Mill Road, Columbus, OH	417	32.0	21.9	1	6.8	100.0%
5445 Guion Road, Indianapolis, IN	380	28.0	27.5	1	2.5	100.0%
3208 E Blue Lick Road, Louisville, KY	303	28.0	16.7	0	-	0.0%
1201 Perry Road, Indianapolis, IN	252	29.5	12.3	1	3.5	100.0%
3800 Sunset Avenue, Chicago, IL	209	24.0	10.0	1	3.3	100.0%
7730 American Way, Orlando, FL	193	25.0	20.6	1	3.5	100.0%
4777–4791 Roberts Road, Columbus, OH	52	21.0	26.1	1	2.6	100.0%
2375–2405 International Street, Columbus, OH	52	21.0	14.8	1	1.3	100.0%
2250–2280 International Street, Columbus, OH	52	21.0	6.1	1	3.5	100.0%
United States Single-tenant	**3,098**	**29.1**	**240.6**	**10**	**4.5**	**90.2%**
5605 Holmescrest Lane, Memphis, TN	885	32.0	47.3	2	4.8	100.0%
4470 Southpoint Drive, Memphis, TN	500	32.0	23.3	2	4.4	100.0%
5100 W 123rd Street, Chicago, IL	465	30.0	27.0	2	6.2	100.0%
5300 Proviso Drive, Chicago, IL	343	30.0	17.0	2	3.3	100.0%
8860 Smith's Mill Road, Columbus, OH	304	32.0	17.0	4	3.4	100.0%
8820 Smith's Mill Road, Columbus, OH	264	30.0	15.1	4	6.4	100.0%
301–363 N Third Avenue, Chicago, IL	250	21.0	14.3	2	3.9	100.0%
1819 N Walcutt Road, Columbus, OH	243	18.0	11.3	5	3.4	100.0%
4311 Janitrol Road, Columbus, OH	240	30.0	12.7	4	3.8	100.0%
640–700 Dearborn Park Lane, Columbus, OH	108	24.0	5.9	4	2.3	100.0%
2275–2353 International Street, Columbus, OH	102	21.0	14.8	2	6.8	100.0%
2111–2191 International Street, Columbus, OH	102	21.0	8.6	4	2.6	50.8%
2000 Conner Road, Cincinnati, OH	77	22.0	4.9	4	1.4	100.0%
2200–2236 International Street, Columbus, OH	76	21.0	6.1	1	0.8	27.1%
2100 Conner Road, Cincinnati, OH	63	22.0	4.0	4	3.8	80.9%
2350–2380 International Street, Columbus, OH	52	21.0	6.1	2	2.6	100.0%
4701–4717 Roberts Road, Columbus, OH	52	21.0	26.1	3	4.1	100.0%
2300–2330 International Street, Columbus, OH	51	21.0	6.1	3	4.6	100.0%
United States Multi-tenant	**4,177**	**28.2**	**267.6**	**54**	**4.4**	**97.2%**
United States	**7,275**	**28.6**	**508.2**	**64**	**4.4**	**94.2%**
Total Portfolio Single-tenant buildings	**8,689**	**26.1**	**586.3**	**74**	**4.8**	**96.4%**
Total Portfolio Multi-tenant buildings	**13,123**	**24.0**	**782.9**	**940**	**3.7**	**96.2%**
Total Portfolio(2)	**21,812**	**24.8**	**1,369.2**	**1,014**	**4.1**	**96.2%**

(1) Includes two properties located in Ottawa.

(2) Excludes a property held for sale as at September 30, 2019.

Condensed consolidated balance sheets

(unaudited)

(in thousands of Canadian dollars)	Note		September 30, 2019		December 31, 2018
Assets					
NON-CURRENT ASSETS					
Investment properties	5	**$**	**2,329,107**	$	2,138,411
Other non-current assets			**1,343**		3,496
			2,330,450		2,141,907
CURRENT ASSETS					
Amounts receivable			**8,110**		4,310
Prepaid expenses and other assets			**4,878**		5,490
Cash and cash equivalents			**130,097**		4,968
			143,085		14,768
Assets held for sale	7		**5,150**		3,900
Total assets		**$**	**2,478,685**	$	2,160,575
Liabilities					
NON-CURRENT LIABILITIES					
Debt	8	**$**	**821,753**	$	860,789
Subsidiary redeemable units			**245,441**		176,613
Deferred Unit Incentive Plan			**10,235**		6,608
Deferred income tax liabilities, net			**4,270**		1,266
Tenant security deposits and other			**15,867**		14,013
			1,097,566		1,059,289
CURRENT LIABILITIES					
Debt	8		**39,942**		76,941
Amounts payable and accrued liabilities			**40,603**		35,020
			80,545		111,961
Total liabilities			**1,178,111**		1,171,250
Equity					
Unitholders' equity			**1,192,070**		887,757
Retained earnings			**103,018**		90,621
Accumulated other comprehensive income			**5,486**		10,947
Total equity			**1,300,574**		989,325
Total liabilities and equity		**$**	**2,478,685**	$	2,160,575

See accompanying notes to the condensed consolidated financial statements.

On behalf of the Board of Trustees of Dream Industrial Real Estate Investment Trust:

"Vincenza Sera"	***"Sheldon Wiseman"***
Vincenza Sera	Sheldon Wiseman
Trustee	Trustee

Condensed consolidated statements of comprehensive income

(unaudited)

(in thousands of Canadian dollars)	Note	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Investment properties revenue	9	**$ 49,511**	$ 39,495	**$ 144,347**	$ 118,501
Investment properties operating expenses		**(13,593)**	(10,769)	**(41,545)**	(34,409)
Net rental income		**35,918**	28,726	**102,802**	84,092
Other income					
Interest and fee income		**543**	343	**951**	607
		543	343	**951**	607
Other expenses					
General and administrative		**(3,059)**	(2,404)	**(8,857)**	(7,687)
Interest:					
Debt		**(8,549)**	(8,415)	**(26,270)**	(26,267)
Subsidiary redeemable units		**(3,344)**	(3,344)	**(10,032)**	(10,032)
Depreciation and amortization		**(8)**	(8)	**(35)**	(50)
		(14,960)	(14,171)	**(45,194)**	(44,036)
Fair value adjustments and net losses on transactions and other activities					
Fair value adjustments to investment properties	5, 7	**7,037**	11,358	**90,720**	69,778
Fair value adjustments to financial instruments	10	**(28,191)**	4,462	**(75,131)**	(25,996)
Net losses on transactions and other activities	11	**(500)**	(2,413)	**(1,107)**	(3,751)
		(21,654)	13,407	**14,482**	40,031
Income (loss) before income taxes and discontinued operations		**(153)**	28,305	**73,041**	80,694
Current and deferred income taxes recovery (expense), net		**(503)**	778	**(3,054)**	(493)
Income (loss) from continuing operations, net of taxes		**(656)**	29,083	**69,987**	80,201
Income (loss) from discontinued operations, net of taxes	7	**(2,310)**	877	**2,803**	10,872
Net income (loss)		**$ (2,966)**	$ 29,960	**$ 72,790**	$ 91,073
Other comprehensive income (loss)					
Items that will be reclassified subsequently to net income (loss):					
Unrealized gain (loss) on foreign currency translation, net of taxes		**$ 4,680**	$ (2,375)	**$ (5,426)**	$ 4,287
Unrealized gain (loss) on effective interest rate hedge, net of taxes		**—**	39	**(35)**	86
		4,680	(2,336)	**(5,461)**	4,373
Comprehensive income		**$ 1,714**	$ 27,624	**$ 67,329**	$ 95,446

See accompanying notes to the condensed consolidated financial statements.

Condensed consolidated statements of changes in equity

(unaudited)
(in thousands of Canadian dollars, except for number of units)

Nine months ended September 30, 2019	Note	Number of REIT Units		Unitholders' equity		Retained earnings		Accumulated other comprehensive income		Total equity
		Attributable to unitholders of the Trust								
Balance at January 1, 2019		**92,062,659**	**$**	**887,757**	**$**	**90,621**	**$**	**10,947**	**$**	**989,325**
Net income		**—**		**—**		**72,790**		**—**		**72,790**
Distributions paid and payable	12	**—**		**—**		**(60,393)**		**—**		**(60,393)**
Public offering of REIT Units	13	**26,277,500**		**288,325**		**—**		**—**		**288,325**
Distribution Reinvestment Plan[1]		**2,390,229**		**27,785**		**—**		**—**		**27,785**
REIT Units issued for vested deferred trust units and Unit Purchase Plan		**91,141**		**1,027**		**—**		**—**		**1,027**
Issue costs and other		**—**		**(12,824)**		**—**		**—**		**(12,824)**
Other comprehensive loss		**—**		**—**		**—**		**(5,461)**		**(5,461)**
Balance at September 30, 2019		**120,821,529**	**$**	**1,192,070**	**$**	**103,018**	**$**	**5,486**	**$**	**1,300,574**

(1) Includes REIT Units issued under the Distribution Reinvestment Plan for LP B Units.

Nine months ended September 30, 2018	Note	Number of REIT Units		Unitholders' equity		Retained earnings (deficit)		Accumulated other comprehensive income (loss)		Total equity
		Attributable to unitholders of the Trust								
Balance at January 1, 2018		75,104,843	$	720,437	$	(7,056)	$	(1,135)	$	712,246
Net income		—		—		91,073		—		91,073
Distributions paid and payable	12	—		—		(43,658)		—		(43,658)
Public offering of REIT Units	13	13,915,000		144,020		—		—		144,020
Distribution Reinvestment Plan[1]		2,059,341		20,418		—		—		20,418
REIT Units issued for vested deferred trust units and Unit Purchase Plan		170,616		1,599		—		—		1,599
Issue costs and other		—		(6,642)		—		—		(6,642)
Other comprehensive income		—		—		—		4,373		4,373
Balance at September 30, 2018		91,249,800	$	879,832	$	40,359	$	3,238	$	923,429

(1) Includes REIT Units issued under the Distribution Reinvestment Plan for LP B Units.

See accompanying notes to the condensed consolidated financial statements.

Condensed consolidated statements of cash flows

(unaudited)

(in thousands of Canadian dollars)	Note	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Generated from (utilized in) operating activities					
Net income (loss)		**$ (2,966)**	$ 29,960	**$ 72,790**	$ 91,073
Non-cash items:					
Fair value adjustments to investment properties	5, 7	**(6,587)**	(8,337)	**(88,329)**	(69,081)
Fair value adjustments to financial instruments	10	**28,191**	(4,462)	**75,131**	25,996
Depreciation and amortization	14	**581**	698	**1,937**	2,409
Other adjustments	14	**7,193**	4,624	**16,771**	13,427
Change in non-cash working capital	14	**(2,271)**	(853)	**(8,016)**	(1,946)
Investment in lease incentives and initial direct leasing costs		**(3,495)**	(1,895)	**(10,405)**	(7,697)
		20,646	19,735	**59,879**	54,181
Generated from (utilized in) investing activities					
Investment in property and equipment		**(5)**	(162)	**(80)**	(190)
Investment in building improvements		**(3,445)**	(6,753)	**(9,386)**	(9,615)
Acquisitions and transaction costs of investment properties		**(35,148)**	(116,493)	**(346,246)**	(227,442)
Net proceeds from disposal of investment properties		**257,381**	—	**263,646**	—
		218,783	(123,408)	**(92,066)**	(237,247)
Generated from (utilized in) financing activities					
Borrowings	8	**43,858**	61,612	**232,180**	305,970
Lump sum repayments	7, 8	**(139,283)**	(127,727)	**(289,424)**	(254,384)
Principal repayments	7, 8	**(5,855)**	(6,561)	**(19,093)**	(18,778)
Financing costs additions	8	**(355)**	—	**(1,394)**	(2,506)
Debt settlement costs		**(910)**	—	**(910)**	—
Distributions paid on REIT Units	12	**(14,310)**	(12,045)	**(40,946)**	(32,331)
Cash proceeds on issuance of REIT Units	13	**6**	—	**288,334**	144,020
Issue costs paid on REIT Units		**(368)**	(456)	**(12,851)**	(6,797)
		(117,217)	(85,177)	**155,896**	135,194
Increase (decrease) in cash and cash equivalents		**122,212**	(188,850)	**123,709**	(47,872)
Foreign exchange gain on cash held in foreign currency		**48**	68	**1,420**	1,612
Cash and cash equivalents, beginning of period		**7,837**	197,173	**4,968**	54,651
Cash and cash equivalents, end of period		**$ 130,097**	$ 8,391	**$ 130,097**	$ 8,391

See accompanying notes to the condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

(All dollar amounts in thousands of Canadian dollars, except as otherwise noted)

Note 1

ORGANIZATION

Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT" or "the Trust") is an open-ended investment trust created pursuant to a Declaration of Trust, as amended and restated, under the laws of the Province of Ontario. The condensed consolidated financial statements of Dream Industrial REIT include the accounts of Dream Industrial REIT and its subsidiaries. Dream Industrial REIT's portfolio comprises industrial properties located in key markets across Canada and the U.S.

A subsidiary of Dream Industrial REIT performs the property management function in Canada. A related party of Dream Industrial REIT, Pauls Realty Services, LLC, performs the property management function in the U.S.

The Trust's registered office is 30 Adelaide Street East, Suite 301, Toronto, Ontario, Canada, M5C 3H1. The Trust is listed on the Toronto Stock Exchange under the symbol "DIR.UN". Dream Industrial REIT's condensed consolidated financial statements for the three and nine months ended September 30, 2019 were authorized for issuance by the Board of Trustees on November 5, 2019, after which they may only be amended with the Board of Trustees' approval.

For simplicity, throughout the Notes, reference is made to the units of the Trust as follows:

- "REIT Units", meaning units of the Trust, excluding Special Trust Units;
- "Special Trust Units", meaning units issued in connection with subsidiary redeemable units;
- "LP B Units" or "subsidiary redeemable units", meaning the Class B limited partnership units of Dream Industrial LP ("DILP"), a subsidiary of the Trust; and
- "Units", meaning REIT Units and LP B Units.

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. The condensed consolidated financial statements should be read in conjunction with the Trust's annual consolidated financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS, as issued by the IASB.

Critical accounting judgments, estimates and assumptions in applying accounting policies

Preparing the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying value of the affected asset or liability in the future. Management has applied the same methodologies in making critical accounting judgments, estimates and assumptions as disclosed in the Trust's consolidated financial statements for the year ended December 31, 2018.

Note 3

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES AND FUTURE ACCOUNTING POLICY CHANGES

The Trust has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2019. These changes were made in accordance with the applicable transitional provisions as described below.

Changes in accounting policies and disclosures

Leases

Effective January 1, 2019, the Trust has adopted IFRS 16, "Leases" ("IFRS 16"). IFRS 16 sets out the principles for the recognition, measurement and disclosure of leases. While accounting for leases where the Trust is acting as the lessor is substantially unchanged, there have been significant changes to the accounting for leases previously classified as operating leases where the Trust is acting as the lessee.

Prior to January 1, 2019, where the Trust was a lessee, operating leases were expensed over the term of the lease; however, IFRS 16 requires that the Trust recognize a right-of-use ("ROU") asset and a lease liability at the inception of a lease contract. Subsequently, the ROU asset is depreciated on a straight-line basis over the lesser of the useful life of the asset and the term of the lease while the lease liability is amortized using the effective interest rate method over the term of the lease. Leases for a term of less than 12 months, or leases for low-value assets as determined by the Trust, are expensed evenly over the term of the lease.

The Trust adopted IFRS 16 on a modified retrospective basis. For leases with a term of less than 12 months, and for leases of low-value assets as determined by the Trust, the Trust applied the optional application exemption. Lease payments under these contracts are recognized on a straight-line basis over the lease term as investment property operating expenses. No ROU assets or lease liabilities were recognized on transition.

The Trust is not required to make any adjustments on transition for leases in which it acts as a lessor. The Trust accounts for its leases in accordance with IFRS 16 from the date of initial application.

Income taxes

On January 1, 2019, the Trust adopted International Financial Reporting Interpretations Committee ("IFRIC") 23, "Uncertainty over Income Tax Treatments" ("IFRIC 23"), which has clarified the application of the recognition and measurement requirements in IAS 12, "Income Taxes" ("IAS 12") for situations where there is uncertainty over income tax treatments. IFRIC 23 specifically addresses whether an entity considers income tax treatments separately; assumptions that an entity makes regarding the examination of tax treatments by taxation authorities; how an entity determines taxable income or loss, tax bases, unused tax losses or credits and tax rates; and how an entity considers changes in facts and circumstances. IFRIC 23 does not apply to taxes or levies outside the scope of IAS 12.

IFRIC 23 did not have an impact on the Trust's condensed consolidated financial statements.

Note 4

ACCOUNTING POLICIES SELECTED AND APPLIED FOR SIGNIFICANT TRANSACTIONS AND EVENTS

The condensed consolidated financial statements have been prepared using the same significant accounting policies and methods as those used in the Trust's annual consolidated financial statements for the year ended December 31, 2018, except as disclosed below and in Note 3.

Leases

At the inception of a contract, the Trust assesses whether that contract is, or contains, a lease. A lease is a contract where the right to direct the use of an asset owned by another party and to obtain the economic benefits deriving from that asset are transferred to the Trust. Where the Trust is a lessee, the Trust recognizes an ROU asset and a lease liability except where the lease is for less than 12 months or the underlying asset is of low value as determined by the Trust. For short-term leases and for leases of low-value assets, the lease payments are expensed evenly over the term of the lease.

At initial recognition, the lease liability is measured at the present value of the lease payments in the lease, including any renewal options where it is reasonably certain the Trust will exercise the option, and the lease payments due after exercising the option are estimable. These payments are discounted using the rate implicit in the lease or, where this rate is not determinable, at the Trust's incremental borrowing rate for borrowings secured by a similar asset and for a similar term as the lease. Lease payments include fixed payments and variable payments, which depend on an index or rate, including any renewal options included in the determination of the term of the lease. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method. The lease liability is remeasured when the lease agreement is modified or if there are changes to variable payments dependent on an index or rate.

At inception, the ROU asset comprises the lease liability plus any direct costs of obtaining the lease less any incentives provided by the lessor. The ROU asset is depreciated on a straight-line basis over the shorter of the term of the lease and the useful life of the asset. When there are indicators of impairment of a ROU asset, the asset is tested for impairment. ROU assets are included in investment properties and lease liabilities are included in other non-current liabilities.

Note 5

INVESTMENT PROPERTIES

	Note	**Nine months ended September 30, 2019**	Year ended December 31, 2018
Balance at beginning of period		**$ 2,138,411**	$ 1,722,988
Additions:			
Acquisition of investment properties	6	**358,693**	248,185
Building improvements		**8,658**	13,824
Lease incentives and initial direct leasing costs		**10,867**	14,061
Total additions to investment properties		**378,218**	276,070
Disposition, transfer to/from assets held for sale:			
Disposition of investment property	7	**(6,500)**	—
Investment properties classified as assets held for sale	7	**(260,120)**	—
Investment property reclassified from assets held for sale	7	**—**	11,300
Total disposition, transfer to/from assets held for sale		**(266,620)**	11,300
Changes included in net income:			
Fair value adjustments to investment properties		**88,779**	107,875
Change in straight-line rent		**946**	968
Amortization of lease incentives		**(1,215)**	(1,426)
Total changes included in net income		**88,510**	107,417
Changes included in other comprehensive income (loss):			
Foreign currency translation gains (losses)		**(9,412)**	20,636
Total changes included in other comprehensive income (loss)		**(9,412)**	20,636
Balance at end of period		**$ 2,329,107**	$ 2,138,411
Change in unrealized income included in net income			
Change in fair value of investment properties		**$ 90,588**	$ 107,875

Investment properties includes $11,515 (December 31, 2018 – $10,591) related to straight-line rent receivables.

The following table summarizes the total investment properties pledged as security for debt as at September 30, 2019 and December 31, 2018:

	September 30, 2019	December 31, 2018
Pledged as collateral for mortgages	**$ 1,724,484**	$ 1,739,543
Pledged as collateral for revolving credit facility	**259,299**	208,174
Not pledged against debt	**345,324**	190,694
Total investment properties	**$ 2,329,107**	$ 2,138,411

Valuations of externally appraised investment properties

For the nine months ended September 30, 2019, there were 56 investment properties valued by qualified external valuation professionals with a fair value of $474,605, representing 20.4% of the total investment property values (for the year ended December 31, 2018 – 47 investment properties with an aggregate fair value of $655,620, representing 30.7% of the total investment property values).

Fair value adjustments to investment properties

For the nine months ended September 30, 2019, the Trust recorded a fair value gain to investment properties totalling $90,720 in our continuing operations and a fair value loss to investment properties totalling $2,391 in our discontinued operations (see Note 7).

For the year ended December 31, 2018, the Trust recorded a fair value gain in our investment properties totalling $107,875.

The fair value of the investment properties as at September 30, 2019 and December 31, 2018 represents the Trust's best estimate based on the internally and externally available information as at the end of the reporting period. If there are any changes in the critical and key assumptions used in valuing the investment properties, or regional, national or international economic conditions, the fair value of investment properties may change materially.

Assumptions used in the valuation of investment properties

As at September 30, 2019, the Trust's investment properties, excluding assets held for sale at period-end and investment properties acquired during the quarter, were valued using the capitalization rate ("cap rate") and discounted cash flow method. The significant and unobservable Level 3 valuation metrics used in the methods as at September 30, 2019 and December 31, 2018 are set out in the table below:

	September 30, 2019[1]		December 31, 2018[1]	
	Range (%)	**Weighted average[2]**	Range (%)	Weighted average[2]
Cap rate method				
Cap rate	**4.50–8.25**	**6.05%**	5.00–9.25	6.29%
Discounted cash flow method				
Discount rate	**5.38–9.00**	**7.02%**	6.00–9.00	7.16%
Terminal cap rate	**5.00–8.50**	**6.40%**	5.50–8.00	6.55%

(1) Excludes assets held for sale at period-end and investment properties acquired during the quarter.

(2) Weighted average based on investment property fair value.

In addition to the cap rates noted above, excluding assets held for sale at period-end and investment properties acquired during the quarter, the stabilized NOI used in the cap rate method as at September 30, 2019 was $139,996. The stabilized NOI used in the cap rate method as at December 31, 2018 was $138,382.

In addition to the discount rate and terminal cap rate assumptions noted above, excluding assets held for sale at period-end and investment properties acquired during the quarter, the weighted average market rent per square foot used in the discounted cash flow method as at September 30, 2019 was $6.98, the average leasing cost per square foot was $4.18 and the weighted average vacancy rate assumption was 3.08%. As at December 31, 2018, the weighted average market rent per square foot was $7.38, the average leasing cost per square foot was $4.17 and the weighted average vacancy rate assumption was 3.11%.

Sensitivities on assumptions

The following sensitivity tables outline the potential impact on the value of investment properties, excluding assets held for sale at period-end and investment properties acquired during the quarter, assuming a change in the weighted average cap rates, discount rates and terminal rates by a respective 25 basis points ("bps") as at September 30, 2019:

	Impact to change in weighted average cap rates	
	+25 bps	-25 bps
Cap rate method		
Increase (decrease) in value	$ (91,739)	$ 99,644

	Impact to change in weighted average discount rates		Impact to change in weighted average terminal cap rates	
	+25 bps	-25 bps	+25 bps	-25 bps
Discounted cash flow method				
Increase (decrease) in value	$ (44,676)	$ 45,777	$ (54,416)	$ 58,976

Note 6

INVESTMENT PROPERTY ACQUISITIONS

Detailed below are the investment property acquisitions completed for the nine months ended September 30, 2019 and for the year ended December 31, 2018:

Nine months ended September 30, 2019		Purchase price[1]	Date acquired
Midwest U.S. portfolio[2]	$	240,575	March 1, 2019
1602 Tricont Avenue, Whitby, Ontario		36,765	April 30, 2019
8820 Smith's Mill Road, Columbus, Ohio		32,125	June 4, 2019
333 Wyecroft Road, Oakville, Ontario		7,245	June 13, 2019
1250–1280 Humber Place, Ottawa, Ontario		33,720	July 22, 2019
Saskatchewan portfolio[3]		8,263	August 30, 2019
Total	$	358,693	

(1) Includes transaction costs.

(2) Midwest U.S. portfolio includes 21 investment properties: four in Chicago, Illinois; two in Cincinnati, Ohio; 12 in Columbus, Ohio; two in Indianapolis, Indiana; and one in Louisville, Kentucky.

(3) Saskatchewan portfolio includes 50% interest in six investment properties in Regina, Saskatchewan, previously co-owned with a related party, Dream Hard Asset Alternatives Trust ("DHAAT").

Year ended December 31, 2018		Purchase price[1]	Date acquired
860 Marine Drive, Charlotte, North Carolina	$	35,766	January 16, 2018
4770 Southpoint Drive, Memphis, Tennessee		32,343	January 16, 2018
5605 Holmescrest Lane, Memphis, Tennessee		47,349	January 16, 2018
161 The West Mall, Etobicoke, Ontario		37,382	August 2, 2018
8860 Smith's Mill Road, Columbus, Ohio		35,949	September 6, 2018
9000 Smith's Mill Road, Columbus, Ohio		45,246	September 6, 2018
10555 Henri-Bourassa Boulevard West, Saint-Laurent, Québec		14,150	October 24, 2018
Total	$	248,185	

(1) Includes transaction costs.

Detailed below are the considerations paid for the acquired investment properties for the nine months ended September 30, 2019 and for the year ended December 31, 2018:

	Note		**Nine months ended September 30, 2019**		Year ended December 31, 2018
Cash paid		**$**	**340,721**	$	236,259
Deposits paid in a prior period and released to seller on closing			**1,322**		2,185
Assumed mortgage	8		**5,384**		—
Assumed non-cash working capital and capital expenditure obligations			**5,664**		4,648
Total consideration paid before transaction costs and land transfer taxes			**353,091**		243,092
Transaction costs and land transfer taxes			**5,602**		5,093
Total consideration paid for investment properties		**$**	**358,693**	$	248,185

Note 7

ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND DISPOSITIONS

Assets held for sale

As at September 30, 2019 and December 31, 2018, management had committed to a plan of sale for a property in each of the respective periods as the sale of these properties was considered to be highly probable.

On June 30, 2019, the Trust classified as assets held for sale all of the investment properties in the Eastern Canada region. Prior to June 30, 2019, there was one property also located in the Eastern Canada region that was classified as an asset held for sale.

On July 31, 2019, the Trust completed the sale of the Eastern Canada portfolio for gross proceeds net of adjustments and before transaction costs of $259,454.

Investment properties held for sale

	Note		Nine months ended September 30, 2019		Year ended December 31, 2018
Balance at beginning of period		**$**	**3,900**	$	15,200
Additions:					
Building improvements			**349**		—
Lease incentives and initial direct leasing costs			**709**		—
Disposition, transfer to/from investment properties:					
Investment properties classified as assets held for sale	5		**260,120**		—
Disposition of investment properties			**(259,454)**		—
Asset held for sale reclassified to investment properties	5		**—**		(11,300)
Changes included in net income (loss):					
Fair value adjustments to investment properties(1)			**(450)**		—
Change in straight-line rent			**1**		—
Amortization of lease incentives			**(25)**		—
Balance at end of period		**$**	**5,150**	$	3,900

(1) Fair value adjustments to investment properties held for sale totalling $(450) was realized in loss from discontinued operations, net of taxes during the three months ended September 30, 2019.

In 2018, one of the properties that was previously classified as held for sale was reclassified to investment properties due to a change in the purchaser's intention to lease the space instead of purchase the property.

Debt related to investment properties held for sale

	Note		Nine months ended September 30, 2019		Year ended December 31, 2018
Balance at beginning of period		**$**	**—**	$	—
Cash items:					
Lump sum repayments			**(36,246)**		—
Principal repayments			**(116)**		—
Non-cash items:					
Debt classified as liabilities related to assets held for sale	8		**36,367**		—
Other adjustments(1)			**(5)**		—
Balance at end of period		**$**	**—**	$	—

(1) Other adjustments includes write-offs and amortization of deferred financing costs and fair value adjustments of assumed debt.

Discontinued operations – Eastern Canada

The Trust presented separately the results of operations and cash flows from the Eastern Canada portfolio for the three and nine months ended September 30, 2019 and September 30, 2018 as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Investment properties revenue	**$ 2,742**	$ 8,102	**$ 19,312**	$ 24,957
Investment properties operating expenses	**(1,225)**	(3,163)	**(8,545)**	(10,311)
Net rental income	**1,517**	4,939	**10,767**	14,646
Other expenses	**(154)**	(868)	**(1,632)**	(2,568)
Fair value adjustments and net losses on transactions and other activities				
Fair value adjustments to investment properties	**(450)**	(3,021)	**(2,391)**	(697)
Net losses on transactions and other activities:				
Costs on sale of investment properties	**(2,220)**	—	**(2,610)**	—
Debt settlement costs(1)	**(964)**	—	**(964)**	—
Internal leasing costs	**(39)**	(173)	**(367)**	(509)
	(3,673)	(3,194)	**(6,332)**	(1,206)
Income (loss) from discontinued operations, net of taxes	**$ (2,310)**	$ 877	**$ 2,803**	$ 10,872

(1) Debt settlement costs include prepayment penalties and transaction costs of $971, write-offs of unamortized deferred financing costs of $41 and write-offs of unamortized fair value adjustments on assumed debt of $(48).

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Cash generated from (utilized in):				
Operating activities	**$ (405)**	$ 3,685	**$ 4,772**	$ 9,983
Investing activities	**258,663**	(1,223)	**257,498**	(2,025)
Financing activities(1)	**(37,267)**	(898)	**(83,145)**	(2,687)

(1) For the three and nine months ended September 30, 2019, financing activities included lump sum mortgage repayments of $36,246 and $80,673, respectively.

Dispositions

For the nine months ended September 30, 2019, the Trust disposed of the following properties:

Nine months ended September 30, 2019	Note	Sale price(1)	Date disposed
9601 156th Avenue, Grande Prairie, Alberta	5	$ 6,500	May 24, 2019
Eastern Canada portfolio(2)		259,454	July 31, 2019
Total		$ 265,954	

(1) Sale price reflects gross proceeds net of adjustments and before transaction costs.

(2) Consists of 38 investment properties in Dartmouth, Nova Scotia, and Moncton, New Brunswick.

There were no investment property disposals in 2018.

Note 8

DEBT

	September 30, 2019	December 31, 2018
Mortgages	**$ 862,366**	$ 910,970
Revolving credit facility(1)	**(671)**	26,760
Total debt	**861,695**	937,730
Less: Current portion	**(39,942)**	(76,941)
Non-current debt	**$ 821,753**	$ 860,789

(1) Revolving credit facility balance at September 30, 2019 consists of financing costs, net of amortization.

Continuity of total debt

The following tables provide a continuity of total debt for the nine months ended September 30, 2019 and year ended December 31, 2018:

	Note				September 30, 2019
	Note	Mortgages		Revolving credit facility[(1)]	Total
Total debt as at January 1, 2019		**$ 910,970**		**$ 26,760**	**$ 937,730**
Cash items:					
Borrowings		**57,386**		**174,794**	**232,180**
Lump sum repayments		**(51,799)**		**(201,379)**	**(253,178)**
Principal repayments		**(18,977)**		**—**	**(18,977)**
Financing costs additions		**(1,044)**		**(350)**	**(1,394)**
Non-cash items:					
Debt classified as liabilities related to assets held for sale	7	**(36,367)**		**—**	**(36,367)**
Debt assumed on acquisition of investment property	6	**5,384**		**—**	**5,384**
Foreign exchange adjustments		**(3,559)**		**(791)**	**(4,350)**
Other adjustments[(2)]		**372**		**295**	**667**
Total debt as at September 30, 2019		**$ 862,366**		**$ (671)**	**$ 861,695**

(1) Amounts drawn against the revolving credit facility during the period are denominated in both Canadian and U.S. dollars. U.S. dollar amounts have been converted at foreign exchange rates in accordance with the Trust's accounting policies.

(2) Other adjustments include amortization of financing costs of $1,154 and amortization of fair value adjustments on assumed debt of $(487).

				December 31, 2018
	Mortgages	Revolving credit facility[(1)]	Convertible debentures	Total
Total debt as at January 1, 2018	$ 782,254	$ (1,025)	$ 108,567	$ 889,796
Cash items:				
Borrowings	241,029	133,400	—	374,429
Lump sum repayments	(92,490)	(108,166)	(111,250)	(311,906)
Principal repayments	(25,400)	—	—	(25,400)
Financing costs additions	(2,878)	—	—	(2,878)
Non-cash items:				
Foreign exchange adjustments	8,102	2,141	—	10,243
Other adjustments[(2)]	353	410	2,683	3,446
Total debt as at December 31, 2018	$ 910,970	$ 26,760	$ —	$ 937,730

(1) Amounts drawn against the revolving credit facility during the year are denominated in both Canadian and U.S. dollars. U.S. dollar amounts have been converted at foreign exchange rates in accordance with the Trust's accounting policies.

(2) Other adjustments include amortization of financing costs of $1,821, amortization of fair value adjustments on assumed debt of $(307) and write-off of financing costs and fair value adjustments of $1,932 due to early redemption of the convertible debentures.

Revolving credit facility

On March 15, 2019, the Trust amended its existing revolving credit facility, increased the borrowing limit from $125,000 to $150,000 and extended the maturity date from June 30, 2020 to June 30, 2021. The interest rate remained at bankers' acceptances ("BA"), bearing interest at the BA rate plus 1.70% or Canadian prime rate plus 0.70% or U.S. LIBOR rate plus 1.70% or U.S. base rate plus 0.70%.

On July 31, 2019, the Trust removed the five secured investment properties in Eastern Canada from the revolving credit facility and on September 27, 2019, the Trust replaced them with two investment properties in Ontario and two investment properties in Western Canada. The borrowing limit remained at $150,000.

The following tables summarize certain details of the Trust's revolving credit facility as at September 30, 2019 and December 31, 2018:

					September 30, 2019
	Maturity date	**Borrowing capacity**	**Principal outstanding**	**Other adjustments**	**Amounts available to be drawn**
Revolving credit facility[1]	**June 30, 2021**	**$ 150,000**	**$ —**	**$ —**	**$ 150,000**

(1) BA rate plus 1.70% or Canadian prime rate plus 0.70% or U.S. LIBOR rate plus 1.70% or U.S. base rate plus 0.70%.

					December 31, 2018
	Maturity date	Borrowing capacity	Principal outstanding	Other adjustments	Amounts available to be drawn
Revolving credit facility[1][2]	June 30, 2020	$ 125,000	$ (27,375)	$ 569	$ 98,194

(1) BA rate plus 1.70% or Canadian prime rate plus 0.70% or U.S. LIBOR rate plus 1.70% or U.S. base rate plus 0.70%.

(2) The revolving credit facility has the ability to be drawn in Canadian and U.S. dollars. At December 31, 2018, principal outstanding amounts include US$16,000, which has been converted in accordance with the Trust's accounting policies. Other adjustments represent foreign exchange differences between the lender and the Trust's rate at the balance sheet date.

Note 9
INVESTMENT PROPERTIES REVENUE

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Rental income	**$ 41,765**	$ 33,050	**$ 120,360**	$ 97,764
Recoveries revenue	**7,746**	6,445	**23,987**	20,737
Total	**$ 49,511**	$ 39,495	**$ 144,347**	$ 118,501

Note 10
FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Remeasurement of carrying value of subsidiary redeemable units	**$ (26,529)**	$ 3,896	**$ (68,828)**	$ (24,303)
Remeasurement of carrying value of DUIP	**(1,194)**	(13)	**(3,050)**	(1,066)
Fair value adjustment on interest rate swap	**(468)**	1,195	**(3,253)**	1,678
Fair value adjustment on conversion feature of convertible debentures	**—**	(616)	**—**	(2,305)
Total	**$ (28,191)**	$ 4,462	**$ (75,131)**	$ (25,996)

Note 11
NET LOSSES ON TRANSACTIONS AND OTHER ACTIVITIES

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Internal leasing costs	**$ (569)**	$ (632)	**$ (1,725)**	$ (1,970)
Foreign exchange gain	**69**	—	**647**	—
Costs on sale of investment properties[1]	**—**	—	**(29)**	—
Convertible debentures early redemption write-offs[2]	**—**	(1,932)	**—**	(1,932)
Transaction cost recovery	**—**	151	**—**	151
Total	**$ (500)**	$ (2,413)	**$ (1,107)**	$ (3,751)

(1) Costs on sale of investment properties consist of transaction costs, commissions and other expenses incurred in relation to the disposal of investment properties.

(2) During the third quarter of 2018, the Trust recorded a net $1,932 write-off of unamortized financing costs and fair value adjustments associated with the early repayment of the 5.25% convertible debentures.

Note 12

DISTRIBUTIONS

Dream Industrial REIT's Declaration of Trust, as amended and restated, provides the Board of Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust. Monthly distribution payments to unitholders are payable on or about the 15th day of the following month.

The Trust declared distributions of $0.525 in each of the nine months ended September 30, 2019 and September 30, 2018.

The following table summarizes distributions paid and payable for the nine months ended September 30, 2019 and September 30, 2018:

	Nine months ended September 30,			
		2019		2018
Paid in cash	**$**	**40,946**	$	32,331
Paid by way of reinvestment in REIT Units[1]		**17,753**		10,386
Less: Payable at December 31, 2018 (December 31, 2017 in the 2018 comparative period)		**(5,370)**		(4,381)
Plus: Payable at September 30, 2019 (September 30, 2018 in the 2018 comparative period)		**7,064**		5,322
Total distributions paid and payable	**$**	**60,393**	$	43,658

(1) Excludes REIT Units issued under the DRIP for LP B Units.

On September 19, 2019, the Trust announced a cash distribution of $0.05833 per REIT Unit for the month of September 2019. The September 2019 distribution was paid on October 15, 2019 to unitholders on record as at September 30, 2019. For the REIT Units, $4,731 of distributions were issued in cash and $2,333 of distributions were reinvested in additional REIT Units (175,548 Units including 3% bonus distribution on Units reinvested pursuant to the DRIP).

On October 22, 2019, the Trust announced a cash distribution of $0.05833 per REIT Unit for the month of October 2019. The October 2019 distribution will be payable on November 15, 2019 to unitholders on record as at October 31, 2019.

Note 13

EQUITY

Public offering of REIT Units

On February 13, 2019, the Trust completed a public offering of 13,800,000 REIT Units at a price of $10.45 per REIT Unit for gross proceeds of $144,210, including 1,800,000 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters. Total costs related to the offering totalled $6,408 and were charged directly to unitholders' equity.

On April 25, 2019, the Trust completed a public offering of 12,477,500 REIT Units at a price of $11.55 per REIT Unit for gross proceeds of $144,115, including 1,627,500 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters. Total costs related to the offering totalled $6,405 and were charged directly to unitholders' equity.

On June 29, 2018, the Trust completed a public offering of 13,915,000 REIT Units at a price of $10.35 per REIT unit for gross proceeds of $144,020, including 1,815,000 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters. Total costs related to the offering totalled $6,388 and were charged directly to unitholders' equity.

Short form base shelf prospectus

On September 15, 2017, the Trust filed and obtained receipts for a final short form base shelf prospectus which is valid for a 25-month period, during which time the Trust may, from time to time, offer and issue Units, subscription receipts and debt securities convertible into or exchangeable for Units of the Trust, or any combination thereof, having an aggregate offering price of up to $1,000,000. As at September 30, 2019, $518,883 of REIT Units (December 31, 2018 – $230,558 of REIT Units) have been issued under the short form base shelf prospectus.

On October 15, 2019, the Trust filed and obtained receipts for a final short form base shelf prospectus dated October 11, 2019, which is valid for a 25-month period, during which time the Trust may, from time to time, offer and issue Units, subscription receipts and debt securities, or any combination thereof, having an aggregate offering price of up to $2,000,000.

Note 14

SUPPLEMENTARY CASH FLOW INFORMATION

The components of depreciation and amortization under operating activities include:

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2019**	2018	**2019**	2018
Depreciation of property and equipment		**$ 8**	$ 8	**$ 35**	$ 50
Amortization of lease incentives	5, 7	**361**	364	**1,240**	1,052
Amortization of financing costs	7, 8	**371**	444	**1,150**	1,438
Amortization of fair value adjustments on assumed debt	7, 8	**(159)**	(118)	**(488)**	(131)
Total depreciation and amortization		**$ 581**	$ 698	**$ 1,937**	$ 2,409

The components of other adjustments under operating activities include:

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2019**	2018	**2019**	2018
Change in straight-line rent	5, 7	**$ (136)**	$ (192)	**$ (947)**	$ (786)
Deferred unit compensation expense		**381**	446	**1,690**	1,755
Non-cash interest on subsidiary redeemable units		**3,344**	3,344	**10,032**	10,032
Deferred income tax expense (recovery)		**489**	(755)	**3,040**	645
Debt settlement costs	7	**964**	—	**964**	—
Costs on sale of investment properties	7, 11	**2,220**	—	**2,639**	—
Foreign exchange gain	11	**(69)**	—	**(647)**	—
Convertible debentures early redemption write-offs	11	**—**	1,932	**—**	1,932
Transaction cost recovery	11	**—**	(151)	**—**	(151)
Other adjustments to operating activities		**$ 7,193**	$ 4,624	**$ 16,771**	$ 13,427

The components of the changes in non-cash working capital under operating activities include:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Decrease (increase) in amounts receivable	**$ (1,768)**	$ 423	**$ (3,859)**	$ (630)
Decrease (increase) in prepaid expenses and other assets	**2,556**	543	**498**	(604)
Decrease (increase) in other non-current assets	**(298)**	(3)	**(319)**	28
Decrease in amounts payable and accrued liabilities	**(864)**	(2,412)	**(3,588)**	(1,336)
Increase (decrease) in tenant security deposits and other	**(1,897)**	596	**(748)**	596
Change in non-cash working capital	**$ (2,271)**	$ (853)	**$ (8,016)**	$ (1,946)

Note 15

SEGMENTED INFORMATION

For the three and nine months ended September 30, 2019 and September 30, 2018, the Trust's reportable operating segments of its investment properties and results of operations were segmented into geographic components, namely Western Canada, Ontario, Québec, and the U.S.

The chief operating decision-maker, determined to be the Chief Executive Officer ("CEO") of the Trust, considers the performance of assets held for sale and disposed properties separately from the investment properties in the geographic segments and discontinued operations separately from the segmented income in the geographic segments.

On June 30, 2019, the Trust classified the Eastern Canada portfolio as held for sale and the associated results of operations as a discontinued operation (see Note 7). On July 31, 2019, the Trust completed the sale of the Eastern Canada portfolio. As such, the region is no longer allocated to the geographic segments.

The Trust did not allocate interest expense to the geographic segments since financing is viewed as a corporate function. The decision as to where to incur the debt is largely based on minimizing the cost of debt and is not specifically related to the segments. Similarly, other income, other expenses, fair value adjustments to financial instruments, net losses on transactions and other activities excluding internal leasing costs, and income taxes were not allocated to the segments.

Three months ended September 30, 2019	**Western Canada**	**Ontario**	**Québec**	**U.S.**	**Segment total**	**Other[(1)]**	**Total**
Investment properties revenue	**$ 16,184**	**$ 13,026**	**$ 8,795**	**$ 11,509**	**$ 49,514**	**$ (3)**	**$ 49,511**
Investment properties operating expenses	**(5,101)**	**(3,596)**	**(1,970)**	**(2,892)**	**(13,559)**	**(34)**	**(13,593)**
Net rental income (segmented income)	**11,083**	**9,430**	**6,825**	**8,617**	**35,955**	**(37)**	**35,918**
Fair value adjustments on investment properties	**(2,558)**	**3,375**	**6,284**	**348**	**7,449**	**(412)**	**7,037**
Net losses on transactions and other activities[(2)]	**(296)**	**(146)**	**(127)**	**—**	**(569)**	**69**	**(500)**

(1) Other includes assets held for sale at period-end and disposed properties during the period that are not presented separately as discontinued operations.
(2) Net losses on transactions and other activities allocated to the geographic segments represent internal leasing costs.

Three months ended September 30, 2018	Western Canada	Ontario	Québec	U.S.	Segment total	Not segmented	Total
Investment properties revenue	$ 15,802	$ 11,584	$ 7,562	$ 4,547	$ 39,495	$ —	$ 39,495
Investment properties operating expenses	(5,003)	(3,071)	(2,001)	(694)	(10,769)	—	(10,769)
Net rental income (segmented income)	10,799	8,513	5,561	3,853	28,726	—	28,726
Fair value adjustments on investment properties	(4,818)	7,735	9,453	(1,012)	11,358	—	11,358
Net losses on transactions and other activities[(1)]	(357)	(148)	(127)	—	(632)	(1,781)	(2,413)

(1) Net losses on transactions and other activities allocated to the geographic segments represent internal leasing costs.

Nine months ended September 30, 2019	**Western Canada**	**Ontario**	**Québec**	**U.S.**	**Segment total**	**Other[(1)]**	**Total**
Investment properties revenue	**$ 49,568**	**$ 38,621**	**$ 25,237**	**$ 30,699**	**$ 144,125**	**$ 222**	**$ 144,347**
Investment properties operating expenses	**(16,747)**	**(11,141)**	**(6,422)**	**(7,049)**	**(41,359)**	**(186)**	**(41,545)**
Net rental income (segmented income)	**32,821**	**27,480**	**18,815**	**23,650**	**102,766**	**36**	**102,802**
Fair value adjustments on investment properties	**(5,524)**	**67,841**	**18,787**	**10,307**	**91,411**	**(691)**	**90,720**
Net losses on transactions and other activities[(2)]	**(883)**	**(443)**	**(399)**	**—**	**(1,725)**	**618**	**(1,107)**

(1) Other includes assets held for sale at period-end and disposed properties during the period that are not presented separately as discontinued operations.
(2) Net losses on transactions and other activities allocated to the geographic segments represent internal leasing costs.

Nine months ended September 30, 2018	Western Canada	Ontario	Québec	U.S.	Segment total	Not segmented	Total
Investment properties revenue	$ 49,138	$ 34,693	$ 22,627	$ 12,043	$ 118,501	$ —	$ 118,501
Investment properties operating expenses	(16,412)	(10,050)	(6,076)	(1,871)	(34,409)	—	(34,409)
Net rental income (segmented income)	32,726	24,643	16,551	10,172	84,092	—	84,092
Fair value adjustments on investment properties	(17,989)	64,254	26,427	(2,914)	69,778	—	69,778
Net losses on transactions and other activities[(1)]	(1,034)	(543)	(393)	—	(1,970)	(1,781)	(3,751)

(1) Net losses on transactions and other activities allocated to the geographic segments represent internal leasing costs.

Investment properties

Nine months ended September 30, 2019	**Western Canada**	**Ontario**	**Québec**	**U.S.**	**Segment total**	**Other[(1)]**	**Total**
Investment properties	**$ 630,818**	**$ 721,487**	**$ 408,359**	**$ 568,443**	**$ 2,329,107**	**$ —**	**$ 2,329,107**
Capital expenditures[(2)]	**7,619**	**5,118**	**2,941**	**526**	**16,204**	**3,321**	**19,525**

(1) Includes capital expenditures associated with the Eastern Canada region prior to region being reclassified to assets held for sale at June 30, 2019.
(2) Includes building improvements and initial direct leasing costs and lease incentives.

Year ended December 31, 2018	Western Canada	Ontario	Québec	Eastern Canada	U.S.	Total
Investment properties	$ 627,354	$ 610,470	$ 353,351	$ 253,687	$ 293,549	$ 2,138,411
Capital expenditures[(1)]	8,996	10,514	3,601	4,426	348	27,885

(1) Includes building improvements and initial direct leasing costs and lease incentives.

Note 16

RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

From time to time, Dream Industrial REIT and its subsidiaries enter into transactions with related parties, generally conducted on a cost-recovery basis or under normal commercial terms.

Related party transactions

Fees and cost reimbursements with related parties were as follows:

Agreements with Dream Asset Management Corporation ("DAM")

The following table summarizes our fees paid to or received from DAM, including both continuing and discontinued operations for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Incurred under the Asset Management Agreement:				
Asset management fee (included in general and administrative expenses)	**$ (1,299)**	$ (1,159)	**$ (3,940)**	$ (3,411)
Acquisition fee (included in investment properties)[1]	**(205)**	(574)	**(2,448)**	(1,420)
Expense reimbursements related to financing arrangements	**(103)**	(91)	**(270)**	(294)
Total costs incurred under the Asset Management Agreement	**$ (1,607)**	$ (1,824)	**$ (6,658)**	$ (5,125)
Total costs incurred under the Shared Services and Cost Sharing Agreement	**$ (176)**	$ (159)	**$ (509)**	$ (496)
Total property management fees earned under the Property Management Agreement	**$ —**	$ 21	**$ 7**	$ 65

(1) A portion of this fee is paid by DAM to an affiliate of PAULS Corp for any U.S. acquisitions it is involved in.

The Asset Management Agreement ("AMA") with DAM provides for an incentive fee payable in an amount equal to 15% of the Trust's adjusted funds from operations per unit as defined in the AMA, which includes gains on the disposition of any properties in the year (together "AFFO"), in excess of the hurdle amount initially set at 80 cents per unit and which increases annually by 50% of the increase in the consumer price index ("Hurdle Amount"). For the most recently completed fiscal year for the AMA which ended October 3, 2018, the Hurdle Amount was $0.85 per unit.

The AMA has an initial term ending October 3, 2022 and is automatically renewed for further five-year terms unless and until terminated in accordance with its terms. The AMA may be terminated by DAM at any time after the initial term. Other than in respect of termination resulting from certain events of insolvency of DAM, on termination of the AMA, all accrued fees under the AMA, including the incentive fee, are payable to DAM. In such circumstances or if the Trust is acquired, the incentive fee is calculated as if all the Trust's properties were sold on the applicable date.

Disposition gains in the AFFO calculation used for determining the incentive fee are based on the fair value of the Trust's investment properties, at the applicable date, relative to their historic purchase price. As at September 30, 2019, the historic purchase price for the Trust's investment portfolio, excluding assets held for sale, was $1,993,502.

To date, no incentive fee has been payable by the Trust to DAM.

The amount of the incentive fee payable by the Trust on any date will be contingent upon various factors, including, but not limited to, changes in the Trust's AFFO as defined in the AMA, movements in the fair value of investment properties, acquisitions and dispositions, future foreign exchange rates, and changes in the total number of outstanding units of the Trust.

On February 1, 2019, the Property Management Agreement for Dream Industrial Management LP ("DIMLP") to manage one property on behalf of a subsidiary of DAM was terminated.

Agreements with Dream Hard Assets Alternatives Trust ("DHAAT")

The following table summarizes our fees received from DHAAT for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Total revenue under lease agreements and the Property Management Agreement	**$ 34**	$ 38	**$ 111**	$ 114

On August 30, 2019, the Trust completed the acquisition of DHAAT's 50% interest in six investment properties in Regina, Saskatchewan (see Note 6). Concurrently, the Property Management Agreement for DIMLP to manage the co-owned properties with DHAAT was terminated.

Agreements with Dream Office REIT

The following table summarizes the costs reimbursed to Dream Office REIT for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Total costs incurred under the Services Agreement	**$ (995)**	$ (819)	**$ (3,041)**	$ (2,385)

The following table summarizes our distributions paid and payable to subsidiaries of Dream Office REIT for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Distributions paid and payable to Dream Office REIT on subsidiary redeemable units	**$ (3,344)**	$ (3,344)	**$ (10,032)**	$ (10,032)
Distributions paid and payable to Dream Office REIT on REIT Units	**(1,495)**	(1,185)	**(4,284)**	(3,269)
Total distributions paid and payable to Dream Office REIT	**$ (4,839)**	$ (4,529)	**$ (14,316)**	$ (13,301)

Agreements with PAULS Corp, LLC ("PAULS Corp")

The following table summarizes our fees paid and costs reimbursed to an affiliate of PAULS Corp, Pauls Realty Services, LLC ("PRS"), for the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Total costs incurred under the Property Management Agreement	**$ (285)**	$ (99)	**$ (841)**	$ (352)

Amounts due from (to) related parties

Amounts due from related parties	**September 30, 2019**	December 31, 2018
Dream Office REIT	**$ 1,272**	$ 855

Amounts due to related parties	**September 30, 2019**	December 31, 2018
DAM	**$ (651)**	$ (606)
Dream Office REIT	**(345)**	(387)
PAULS Corp	**(69)**	(54)

Distributions and interest payable to Dream Office REIT

		September 30, 2019		December 31, 2018
Subsidiary redeemable interest payable to Dream Office REIT[(1)]	**$**	**(1,114)**	$	(1,114)
Distributions payable to Dream Office REIT[(2)]		**(507)**		(421)

(1) Subsidiary redeemable interest payable is in relation to the 18,551,855 subsidiary redeemable units held by Dream Office REIT as at September 30, 2019 and December 31, 2018.

(2) Distributions payable is in relation to the 8,429,855 REIT Units held by Dream Office REIT as at September 30, 2019 (December 31, 2018 – 7,200,736 REIT Units).

Note 17

COMMITMENTS AND CONTINGENCIES

Dream Industrial REIT and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that may arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on our condensed consolidated financial statements.

Note 18

FAIR VALUE MEASUREMENTS

Financial instruments carried at amortized cost where carrying value does not approximate fair value are noted below:

		September 30, 2019		December 31, 2018	
	Note	Carrying value	Fair value	Carrying value	Fair value
Mortgages	8	**$ 862,366**	**$ 878,875**	$ 910,970	$ 909,903
Revolving credit facility	8	**(671)**	**—**	26,760	27,375

Amounts receivable, cash and cash equivalents, tenant security deposits, amounts payable and accrued liabilities are carried at amortized cost, which approximates fair value due to their short-term nature. Subsidiary redeemable units and DUIP are carried at amortized cost, which approximates fair value as they are readily redeemable financial instruments.

The following table provides the fair value measurement hierarchy of the Trust's financial assets and liabilities measured at fair value on a recurring basis.

	Carrying value as at September 30, 2019	Fair value as at September 30, 2019		
		Level 1	Level 2	Level 3
Recurring fair value measurements				
Financial assets: Fair value of interest rate swaps	**$ 357**	**$ —**	**$ 357**	**$ —**
Financial liabilities: Fair value of interest rate swaps	**2,564**	**—**	**2,564**	**—**

	Carrying value as at December 31, 2018	Fair value as at December 31, 2018		
		Level 1	Level 2	Level 3
Recurring fair value measurements				
Financial assets: Fair value of interest rate swaps	$ 1,543	$ —	$ 1,543	$ —
Financial liabilities: Fair value of interest rate swaps	461	—	461	—

Quoted prices in active markets represent a Level 1 valuation. When quoted prices are not available, the Trust maximizes the use of observable inputs. When all significant inputs are observable, either directly or indirectly, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3. The Trust's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There were no transfers in or out of Level 1, Level 2 or Level 3 fair value measurements during the period.

The fair value measurement of the interest rate swaps was valued by qualified independent valuation professionals based on the present value of the estimated future cash flows determined using observable yield curves.

All gains and losses recorded in fair value adjustments to financial instruments (Note 10) are changes in unrealized gains and losses relating to the items on the condensed consolidated balance sheet.

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The Toronto Stock Exchange
Listing Symbol: DIR.UN

For more information, please visit
dreamindustrialreit.ca

DISTRIBUTION REINVESTMENT AND UNIT PURCHASE PLAN
The purpose of our Distribution Reinvestment and Unit Purchase Plan ("DRIP") is to provide unitholders with a convenient way of investing in additional units without incurring transaction costs such as commissions, service charges or brokerage fees. By participating in the Plan, you may invest in additional units in two ways:

Distribution reinvestment: Unitholders will have cash distributions from Dream Industrial REIT reinvested in additional units as and when cash distributions are made. If you register in the DRIP you will also receive a "bonus" distribution of units equal to 3% of the amount of your cash distribution reinvested pursuant to the Plan. In other words, for every $1.00 of cash distributions reinvested by you under the Plan, $1.03 worth of units will be purchased.

Cash purchase: Unitholders may invest in additional units by making cash purchases.

To enrol, contact:
Computershare Trust Company of Canada
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Attention: Dividend Reinvestment Services

or call their Customer Contact Centre at
1 800 564-6253 (toll free) or (514) 982-7555.

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