dream industrial REIT

Dream Industrial REIT

Q2 Report 2022

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Management's discussion and analysis

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		
	June 30, 2022	December 31, 2021	June 30, 2021
Total portfolio			
Number of assets[(1)(2)]	**257**	239	215
Investment properties fair value	**$ 6,407,001**	$ 5,696,607	$ 4,689,801
Gross leasable area ("GLA") (in millions of sq. ft.)[(2)]	**46.0**	43.0	38.5
Occupancy rate – in-place and committed (period-end)[(3)]	**99.1%**	98.2%	98.0%
Occupancy rate – in-place (period-end)[(3)]	**98.6%**	97.7%	97.4%
Average in-place and committed base rent per sq. ft. (period-end)[(4)]			
Canadian portfolio	**$ 8.11**	$ 7.87	$ 7.67
European portfolio (€)	**€ 4.99**	€ 4.72	€ 4.51
Estimated market rent to in-place and committed base rent spread (%) (period-end)[(4)]			
Canadian portfolio	**42.2%**	24.4%	19.6%
European portfolio	**5.2%**	6.8%	7.3%
Weighted average lease term ("WALT") (years)[(4)]	**4.7**	4.6	4.3

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	**June 30, 2022**	June 30, 2021
Operating results				
Net rental income	**$ 68,729**	$ 51,095	**$ 134,042**	$ 97,757
Comparative properties net operating income ("NOI") (constant currency basis)[(3)(5)]	**46,345**	42,076	**85,056**	77,325
Net income	**171,480**	160,295	**614,369**	255,559
Funds from operations ("FFO")[(5)]	**58,925**	39,158	**115,563**	74,066
Per Unit amounts				
FFO – diluted[(6)(7)]	**$ 0.22**	$ 0.19	**$ 0.43**	$ 0.38
Distribution rate	**$ 0.17**	$ 0.17	**$ 0.35**	$ 0.35

	June 30, 2022	December 31, 2021	June 30, 2021
			As at
Financing			
Credit rating – DBRS	**BBB (mid)**	BBB (mid)	BBB (mid)
Net total debt-to-total assets (net of cash and cash equivalents) ratio(6)	**29.7%**	31.6%	37.9%
Net total debt-to-normalized adjusted EBITDAFV ratio (years)(6)	**7.8**	8.0	8.6
Interest coverage ratio (times)(6)	**12.7**	8.0	5.2
Weighted average face interest rate on debt(8)	**1.01%**	0.83%	1.49%
Weighted average term to maturity on debt (years)	**3.3**	3.8	4.4
Secured debt as a percentage of total assets(9)	**7.6%**	9.3%	19.7%
Unencumbered investment properties as a percentage of investment properties(9)	**76.7%**	72.9%	49.5%
Cash and cash equivalents	**$ 81,311**	$ 164,015	$ 313,249
Available liquidity(5)	**$ 429,062**	$ 511,612	$ 663,249
Capital			
Total equity (per condensed consolidated financial statements)	**$ 4,328,951**	$ 3,499,423	$ 2,841,735
Total equity (including LP B Units)(5)	**$ 4,553,057**	$ 3,818,886	$ 3,125,207
Total number of Units (in thousands)(10)	**273,552**	252,417	228,367
Net asset value ("NAV") per Unit(6)	**$ 16.64**	$ 15.13	$ 13.69
Unit price	**$ 12.08**	$ 17.22	$ 15.28

(1) Number of assets comprises a building, or a cluster of buildings in close proximity to one another attracting similar tenants.

(2) Includes the Trust's owned and managed properties as at June 30, 2022 and December 31, 2021. Managed properties include U.S. assets in the U.S. industrial fund ("the U.S. Fund") for which the Trust provides property management, construction management and leasing services at market rates.

(3) Includes the Trust's share of equity accounted investment as at June 30, 2022 and December 31, 2021.

(4) Excludes the Trust's share of equity accounted investment as at June 30, 2022 and December 31, 2021.

(5) Comparative properties NOI (constant currency basis), FFO, available liquidity, and total equity (including LP B Units) are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information about these non-GAAP financial measures. These measures are not standardized financial measures under International Financial Reporting Standards ("IFRS") and might not be comparable to similar measures disclosed by other issuers.

(6) Diluted FFO per Unit, net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years), interest coverage ratio (times), and NAV per Unit are non-GAAP ratios. See the "Non-GAAP Ratios" section for additional information about these non-GAAP ratios. These ratios are not standardized financial measures under IFRS and might not be comparable to similar measures disclosed by other issuers.

(7) See the "Supplementary Financial Measures and Ratios and Other Disclosures" section for additional information about diluted amounts per Unit under the heading "Weighted average number of Units".

(8) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt, including the impact of cross-currency interest rate swaps as at period-end.

(9) Secured debt as a percentage of total assets and unencumbered investment properties as a percentage of investment properties are supplementary financial measures. See "Supplementary Financial Measures and Ratios and Other Disclosures" for a description of these supplementary financial measures.

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

BUSINESS UPDATE

Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT" or the "Trust") carried its robust momentum into Q2 2022. Our low leverage and opportune capital raises in early 2022 allowed us to complete $368 million of acquisitions, with an additional $85 million of acquisitions firm, under contract, or in exclusive negotiations. Our strong organic growth and execution of our debt strategy have allowed us to generate 12.6% FFO per Unit growth and 10.1% comparative properties NOI (constant currency basis) growth in Q2 2022.

During the quarter, we formed a develop-to-hold joint venture ("Development JV") with a leading global sovereign wealth fund (the "Partner") in which we are targeting to contribute up to a combined total of $1.5 billion into the Development JV while maintaining 25% ownership interest. Currently, the Development JV owns three sites in the Greater Toronto Area ("GTA") and Greater Golden Horseshoe Area ("GGHA") that are expected to support the development of over 1.3 million square feet of GLA over the next 30 months.

We ended the quarter with approximately $429 million of available liquidity and a net total debt-to-total assets (net of cash and cash equivalents) ratio of 29.7%. This provides us with protection against increasing interest rates and market volatility, as well as allowing us to take advantage of mispricing in the market to capitalize on compelling investment opportunities.

Operations update

Robust leasing momentum at attractive rental spreads – Since the end of Q1 2022, the Trust has signed approximately 1.4 million square feet of new leases and renewals at an average spread of 34%.

- In Canada, the Trust signed approximately 1.1 million square feet of leases at an average spread of 39%; and
- In Europe, the Trust signed approximately 0.3 million square feet of leases at an average spread of 11%.

The Trust has provided a summary of its recent leasing highlights below:

a. The Trust signed two renewals for a combined 125,000 square feet in Québec while achieving more than a 110% premium over the expiring rents with an average 3.3% annual contractual rental growth.

b. In Ontario, the Trust signed three renewals for a combined 115,000 square feet while doubling the rent and securing 3.5% annual contractual rental growth over the term.

c. The Trust signed a new lease with one of Canada's largest necessity retailers at its 43,000 square foot expansion in the GTA expected to be completed in November 2022. The Trust achieved a rental rate of $15.50 with 3% annual contractual rent growth for a ten-year term, which resulted in an unlevered yield on cost of over 11%.

d. Subsequent to quarter-end, the Trust signed a new lease at its 120,000 square foot expansion in Montréal expected to be completed in Spring 2023. The Trust achieved a rental rate of $14.00 with 4% annual contractual rent growth for a 5-year term, which is expected to result in an unlevered yield on cost of over 8%.

In addition to strong rental spreads, the Trust continues to add contractual rent growth to its leases. In its Canadian portfolio, the current leases have embedded contractual rent growth of over 2.5% annually. In the Trust's European portfolio, approximately 90% of the leases are indexed to the consumer price index ("CPI").

The Trust expects to achieve strong rental rate growth over time as it sets rents on expiring leases to market, as market rents continue to increase across the Trust's operating markets. During the quarter, the estimated market rent of properties in the Trust's portfolio increased by 8% compared to March 31, 2022. As at June 30, 2022, current market rents exceed the average in-place base rent across the Trust's portfolio by over 20%.

Continued growth in net rental income for the quarter and year-to-date – Net rental income for the three and six months ended June 30, 2022 was $68.7 million and $134.0 million, respectively, representing an increase of $17.6 million, or 34.5%, and $36.3 million, or 37.1%, relative to the prior year comparative periods. Year-over-year net rental income increased by 49.5% in Ontario, 58.7% in Québec, 5.5% in Western Canada and 277.8% in Europe. The increase was mainly driven by strong comparative properties NOI (constant currency basis) growth in 2022 and the impact of acquired investment properties in 2022 and 2021.

Solid pace of comparative properties NOI ("CP NOI") (constant currency basis) growth – CP NOI (constant currency basis) for the three and six months ended June 30, 2022 was $46.3 million and $85.1 million, respectively. For the same periods in 2021, CP NOI (constant currency basis) was $42.1 million and $77.3 million, respectively. This represents an increase of 10.1% for the three months ended June 30, 2022 and 10.0% for the six months ended June 30, 2022 compared to the prior year comparative periods.

The growth in CP NOI (constant currency basis) was led by a 12.4% and 15.2% year-over-year increase in CP NOI in Ontario for the three and six months ended June 30, 2022, respectively. This was driven primarily by increasing rental spreads on new and renewed leases where the average in-place base rent increased by 9.2% and 9.4%, respectively, along with a 160 and 320 basis points increase in average occupancy, respectively, for the three and six months ended June 30, 2022.

In Québec, year-over-year CP NOI (constant currency basis) growth was 15.6% and 14.1% for the three and six months ended June 30, 2022, respectively. As a result of significant rental spreads and contractual rent escalations from existing leases, the average in-place rent increased by 10.5% and 7.3% for the three and six months ended June 30, 2022, respectively.

In Europe, strong leasing activity and CPI indexation resulted in a 4.6% and 5.1% increase in in-place base rent which drove year-over-year CP NOI (constant currency) growth of 5.5% and 5.6% for the three and six months ended June 30, 2022, respectively. During Q2 2022, CPI indexation on European leases resulted in an approximately 2.5% increase in comparative properties NOI growth.

Strong rent collections – The Trust's portfolio has remained resilient through market disruptions and rent collections have returned to pre-pandemic levels. The Trust has collected over 97% of recurring contractual gross rent for Q2 2022. In addition, the Trust has collected substantially all of the contractual gross rent for 2021 and nearly 98% of all of the contractual gross rent year-to-date in 2022.

Acquisitions, development and finance update

Acquisitions – Since the end of Q1 2022, the Trust acquired approximately $368 million of properties in Canada and Europe, which added nearly 1.9 million square feet of income-producing assets as well as 19.5 acres of development land in the Balzac sub-market of Calgary.

- In Canada, the Trust acquired seven income-producing assets totalling 491,000 square feet for $136 million. These assets are primarily located in the GTA; and
- In Europe, the Trust acquired eight income-producing assets totalling 1.4 million square feet for $221 million.

Development update – The Trust's development pipeline provides a significant opportunity to add high-quality assets in core markets at attractive economics to the Trust. The Trust has approximately 3.4 million square feet of projects that are currently underway or in planning stages.

The Trust is currently underway on 683,000 square feet of projects across the GTA, Greater Montréal Area and Europe. With a total expected cost of approximately $114 million, the Trust expects unlevered yield on cost of approximately 7.3% upon completion. The Trust expects all of these projects to be completed in the next 9–12 months.

a. The 8-acre Abbotside site is attractively located in close proximity to Highway 410 in Caledon. The Trust is currently underway on the development of a 154,000 square foot logistics facility. Construction has commenced with completion targeted for the first half of 2023 and a forecast unlevered yield on cost of over 7%.

b. The Trust is currently under construction on a 241,000 square foot logistics facility in Germany which should improve site density by approximately 20%, with an estimated yield on cost of 6.5%. Construction commenced during Q2 2022 with completion expected in 2022. The Trust is in advanced negotiations with several tenants to lease the entire expansion.

c. The Trust is advancing a 120,000 square foot expansion of an existing building in Montréal. Construction commenced over the quarter and completion is expected in early 2023. Subsequent to quarter-end, the Trust finalized a lease for the entire expansion which should result in an unlevered yield on cost of over 8%.

d. The Trust recently completed a 65,000 square feet expansion comprising two buildings at its recently acquired 600,000 square foot high-tech and industrial cluster in The Hague, Netherlands. The expansions have been leased with occupancy starting during the second quarter, with an unlevered yield on construction costs of approximately 6.2%.

The Trust has an additional 1.9 million square feet of projects at its share that are in the final stages of planning, with targeted completion in the coming two to three years. With a total cost of approximately $433 million, the Trust expects unlevered yield on cost of approximately 6.0% on average.

In addition to the above projects, the Trust is in the preliminary stages of planning for approximately 0.9 million square feet of near-term expansion and redevelopment opportunities.

Capital strategy – The Trust continues to maintain significant financial flexibility as it executes on its strategy to grow and upgrade portfolio quality. Over the past 24 months, the Trust has successfully transitioned its debt profile to be largely unsecured, with the proportion of secured debt dropping to 7.6% of total assets and to approximately 25% of total debt (non-GAAP financial measure), compared to 47.6% one year ago. On a year-over-year basis, its average cost of debt decreased 48 basis points from 1.49% in Q2 2021 to 1.01% in Q2 2022. Additionally, the Trust's unencumbered asset pool totalled $4.9 billion as at June 30, 2022, representing approximately 77% of the Trust's investment properties value as at June 30, 2022.

The Trust ended Q2 2022 with total available liquidity of approximately $429 million including cash and cash equivalents of $81.3 million, with an additional $150 million of liquidity provided by the accordion feature on the Trust's unsecured operating facility. During the quarter, DBRS Morningstar Limited confirmed the Trust's BBB-mid investment grade rating, reflecting the quality and stability of the Trust's portfolio and the strength and flexibility of the Trust's balance sheet.

Environmental, social and governance (“ESG”) update

In the quarter, several significant milestones of the Trust’s ESG strategy were realized. In April, the Trust published its Net Zero by 2035 Action Plan, with the Dream Group of Companies. As part of the net zero by 2035 commitment, the Trust has committed to net zero Scope 1 and 2 GHG emissions (operational and development) by 2035 and net zero select Scope 3 GHG emissions (operational) by 2050. The comprehensive report details the Trust’s commitment, targets and milestones, investment and emissions boundaries, actionable delivery strategy, and oversight and transparency plans.

In alignment with its net zero target, the Trust is finalizing the building design and development plans for a redevelopment that is expected to receive Canada Green Building Council’s (“CaGBC”) Zero Carbon Building Standard certification upon completion. The Trust’s inaugural net zero redevelopment is expected to commence later in 2022 and consists of a cluster of three buildings on a 10-acre site that will be redeveloped into a 209,000 square foot best-in-class facility, with construction completion expected in 2023. The site is in the GTA, and the Trust expects the new facility to be designed to include energy efficient roof insulation, heating and ventilation equipment, as well as a reinforced roof to support solar panels on up to 70% of the roof area.

In the quarter, the Trust announced achievement of Gold Level recognition by the Green Lease Leaders Program. The green lease that the Trust has developed includes commitments to tenant energy disclosures, low-carbon construction practices, the purchase of onsite renewable energy (if available), tenant energy efficiency engagement and training, and cost recovery clauses for energy efficiency. To date, the Trust has executed green leases on approximately 500,000 square feet.

The Trust completed its first GRESB Real Estate Assessment submission in the quarter. GRESB is the global standard in the real estate sector for ESG benchmarking and disclosure. GRESB reporting is an important step in the Trust’s ESG forward-looking plans, as it will provide insight into year-over-year portfolio performance and will identify areas of opportunity and risk in the Trust's portfolio. The GRESB submission process has informed the Trust’s data collection priorities and has highlighted opportunities to enhance operational practices and disclosures. In addition, alignment with the GRESB framework will also contribute towards the Trust’s alignment with international reporting frameworks including the UN Principles for Responsible Investment (UN PRI), the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

To date, the Trust has issued $850 million of green bonds to support its sustainable corporate strategy. In the quarter, the Trust issued its inaugural annual Green Bond Use of Proceeds report, confirming an investment of $295 million towards eligible green buildings and projects. The Trust has approximately $330 million of eligible green projects in its near-term pipeline with a further $175 million in feasibility or preliminary stages. In the quarter, the Trust acquired four buildings with Energy Performance Certificate (“EPC”) ratings of “A”, totalling over 450,000 square feet, which are defined as eligible green building certifications in the Green Financing Framework.

The Trust continues to execute the initiatives and forward-looking plans that were set out in its 2020–2021 Sustainability Report, including expanding its renewable energy program, formalizing its approach to data collection, refining its Net Zero strategy, and pursuing sustainable developments. In the quarter, the Trust expanded its biodiversity program with the installation of three additional beehives in Ontario and Québec. The Trust also upgraded over 400,000 square feet of lighting to light emitting diode (“LED”) during the quarter, which contributes to reducing building emissions and operating costs.

The Trust continues to expand and implement its renewable energy program. In Canada, the Trust has completed one project, and six projects are underway that will add over 6,000 solar panels and are expected to generate over 2.6 MW of renewable energy, with completion scheduled by the end of 2022. In Europe, the Trust is currently executing on eight projects that will add over 16,000 solar panels that are expected to generate over 8.3 MW of renewable energy; several of these projects are nearing completion. In addition, the Trust is actively evaluating the feasibility of future potential projects and maximizing opportunities to pursue government subsidies that are available for sustainable energy production.

BASIS OF PRESENTATION

Our discussion and analysis of the financial position and results of operations of Dream Industrial REIT should be read in conjunction with the audited consolidated financial statements of Dream Industrial REIT and the accompanying notes for the year ended December 31, 2021, and the unaudited condensed consolidated financial statements of Dream Industrial REIT and the accompanying notes for the three and six months ended June 30, 2022. Such consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The Canadian dollar is the functional and reporting currency for purposes of preparing the condensed consolidated financial statements.

The chief operating decision-maker, determined to be the Chief Executive Officer of the Trust, also considers the performance of assets held for sale (except for those where the Trust will continue to retain an interest) and disposed properties separately from the investment properties in the geographic segments, and discontinued operations, as applicable, separately from the segmented income in the geographic segments.

This management's discussion and analysis ("MD&A") is dated as at August 2, 2022.

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; and
- "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 at a point in time and are subject to change based on future market conditions.

FORWARD-LOOKING DISCLAIMER

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 and strategies to achieve those objectives; the Trust's expectations relating to the benefits to be realized from demand drivers for industrial space; the anticipated timing of closing of acquisitions, including the anticipated purchase price and value of additional acquisitions under contract or in exclusivity; the anticipated commencement of certain leases and the average spread thereof and the Trust's ability to achieve strong rental growth over time as it sets rents on expiring leases; the expected going-in cap rate of acquisitions; our development and acquisition pipelines, including timing for completion thereof; our Development JV with a leading global sovereign wealth fund and the expected terms of and contributions into such Development JV and the nature of its expected development projects; the expected timing for completion of the Trust's project and expansion plans; expectations regarding cash flow and cash distributions; the Trust's intention and ability to fund any potential shortfalls with cash and cash equivalents on hand and with the amounts available on the unsecured revolving credit facility; any potential future suspension and subsequent reinstatement of the DRIP (defined below) and Unit Purchase Plan; the Trust's portfolio strategy and goal to acquire mid- to large-bay properties in the GTA, Greater Montréal Area and major Western European markets and to increase scale in existing sub-markets in Canada, and expected benefits thereof; the Trust's long-term growth goals through its retained interest in the U.S. Fund; the expectation that a subsidiary of the Trust will provide certain services to the U.S. Fund and generate a growing revenue stream; the pro forma composition of our portfolio after the completion of the acquisitions and potential development opportunities, including the GLA to be added to the Trust's portfolio following the acquisitions or expansions; our debt strategy, including in respect of our unencumbered investment properties pool; our development, expansion, value-add capital improvements and refurbishments and redevelopment plans, including benefits thereof and timing of construction commencement and completion, intensification, and the expansion potential of the Trust's portfolio; anticipated development yields, and development costs, and the Trust's total assets it expects to have under active development; expected occupancy; expected development opportunities; use of the net proceeds from the Trust's recent offerings; the Trust's ability to deliver on ESG initiatives including various sustainability policies and reporting initiatives by and commitments with third parties; the expansion of the Trust's renewable energy program, completion of eligible green projects, the Trust's goal to be net zero by 2035 for operations including Scope 1 and 2 emissions and net zero by 2050 for select Scope 3 emissions, the Trust's ability to meet its commitments, targets and milestones under its Net Zero by 2035 Action Plan and execute its initiatives under the Trust's 2020–2021 Sustainability Report; the Trust's ability to obtain green building certifications for its portfolio, including new developments, and the expansion of its green building certification program; the details of the Trust's inaugural net zero redevelopment; the feasibility, implementation and results of, and potential subsidies for, the Trust's solar power program; the sustainability and efficiency of the Trust's developments; the Trust's conservative financial policy and expected flexibility and strength of its balance sheet; the Trust's portfolio and management strategy and expected benefits to be derived thereof, and expectations that its relationships will provide advantages in respect of acquisitions; the amount by which market rents exceed in-place rents and the outlook for rental rate growth; the Trust's beliefs, plans, estimates, projections and intentions; and similar statements concerning anticipated future events, future growth and future leasing activity, including those associated with user demand relative to supply of quality industrial product in the Trust's operating markets, increasing scale in the Trust's existing sub-markets and adding to its large urban logistics clusters, the ability to lease vacant space and rental rates on future leases, results of operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, rent collection, future maintenance and development plans, capital investments, financing, income taxes, litigation and the real estate industry in general. 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”, “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; real estate ownership risks including oversupply of industrial properties or a reduction in demand for real estate in the area, the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs; relative illiquidity of real estate investments and limited ability to vary our portfolio promptly to respond to changing economic or investment conditions; significant expenditures associated with real estate ownership regardless of whether the property is producing sufficient income to pay such expenses; employment levels; the uncertainties around the timing and amount of future financings; inflation; uncertainties surrounding the novel coronavirus (“COVID-19”) pandemic; risks associated with unexpected or ongoing geopolitical events, including disputes between nations, war, terrorism or other acts of violence; international sanctions; the financial condition of tenants and borrowers; leasing risks; risks associated with the geographically concentrated nature of our properties; interest rate and currency rate fluctuations; risks associated with cross-currency interest rate swap (“CCIRS”) arrangements; regulatory risks and changes in law; environmental risks; competition from other developers, managers and owners of properties; risks associated with participating in joint arrangements; environmental and climate change risks; insurance risks including liability for risks which are uninsurable under any insurance policy; cyber security risks; our ability to sell investment properties at a price that reflects fair value; and our ability to source and complete accretive acquisitions.

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; the impact of the COVID-19 pandemic on the Trust; government measures to contain the COVID-19 pandemic; local real estate conditions; timely leasing of vacant space and re-leasing of occupied space upon expiry; dependence on tenants’ financial condition; the uncertainties of acquisition activity; the ability to integrate acquisitions; interest rates; valuation assumptions including market rents, leasing costs, vacancy rates, discount rates and cap 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; changes to historically low rates and rising replacement costs in the Trust’s operating markets and increases in market rents; 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 August 2, 2022. 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. As at June 30, 2022, the Trust owns, manages and operates a global portfolio comprising 257 assets totalling approximately 46.0 million square feet of GLA in key markets across Canada, Europe and the U.S. The Trust’s goal is to grow and upgrade the quality of its portfolio, which primarily consists of distribution and urban logistics properties, and to provide overall attractive returns to unitholders. Our REIT Units are listed on the Toronto Stock Exchange (“TSX”) under the trading symbol “DIR.UN”.

OUR STRATEGY

Dream Industrial REIT owns and operates a diversified portfolio of distribution, urban logistics and light industrial properties across key markets in Canada, Europe and the U.S. We are committed to:

- owning and operating a high-quality portfolio of industrial assets in markets with strong operating fundamentals;
- investing in our key markets in industrial assets offering long-term cash flow and net asset value growth prospects;
- maximizing the value of our industrial assets through innovative asset management strategies;
- providing compelling total returns to our unitholders, anchored by sustainable cash distributions; and
- integrating sustainability at the corporate and property levels.

Value enhancing growth

With a global acquisition platform, we have local, on-the-ground teams who have a strong track record of sourcing attractive industrial assets across Canada, Europe and the U.S. We have strong established relationships in all our local markets, which allows us to source high-quality and accretive acquisitions with long-term cash flow and net asset value growth potential. When evaluating potential acquisitions, we consider a variety of criteria, including expected cash flow returns; replacement cost of the asset; its location, functionality and appeal to future tenants; sustainability attributes of the asset and how the asset complements our existing portfolio; and per Unit accretion.

Continuous portfolio optimization

We regularly evaluate and benchmark each individual asset in our portfolio, assessing historical and future performance as well as value growth potential. We identify opportunities to recycle assets within our portfolio and reinvest the proceeds into higher quality assets that are less management and capital intensive.

Active asset management

Through creative asset management strategies, such as initiating and executing on development projects, we are able to unlock organic net operating income and net asset value growth. We actively manage our assets to optimize performance, maintain value, and attract and retain tenants. We have local teams across our portfolio with over 80 real estate professionals highly experienced in leasing, operations and portfolio management operating out of nine regional offices in our key markets. We strive to ensure that our assets are the most attractive, efficient and cost-effective premises for our tenants.

Conservative financial policy

We operate our business in a disciplined manner with a focus on maintaining a strong balance sheet and liquidity position. We seek to maintain a conservative leverage, naturally hedge foreign currency investments and build up a high-quality unencumbered investment properties pool, while reducing borrowing costs and preserving liquidity.

Focus on ESG

We focus on promoting high standards of corporate governance, social responsibility and ethical behaviour throughout our organization. Our sustainability practices are primarily focused on: (i) energy efficiency throughout our portfolio by integrating sustainable building technology; (ii) increasing tenant engagement; and (iii) incorporating energy management initiatives into our capital expenditure planning. Our social initiatives encompass three key areas: (i) commitment to the development of employees through continuous learning and promotion of healthy workplaces and lifestyles; (ii) active commitment to the community and local charitable organizations; and (iii) commitment to tenant satisfaction and engagement. We continuously apply sound and effective corporate governance practices in the day-to-day decisions and actions of our business. Our governance highlights include: (i) a diverse and experienced board with a majority of independent trustees; and (ii) strong governance and transparency in all aspects of our business.

SECTION II

OUR ASSETS

Dream Industrial REIT owns, manages and operates a portfolio of 257 assets (372 industrial buildings) totalling approximately 46.0 million square feet of GLA in key markets across Canada, Europe and the U.S. as at June 30, 2022.

Across our regions, our portfolio consists of distribution, urban logistics and light industrial buildings:

- **Distribution buildings** – are highly functional large-bay buildings located in close proximity to major transportation corridors. Most tenants at these buildings have e-commerce operations or are in the third-party logistics industry.
- **Urban logistics buildings** – are small- to mid-bay buildings located in close proximity to major population centres and are ideally suited to meet last-mile distribution needs. They are typically multi-let with shorter lease terms and lower average tenant size.
- **Light industrial buildings** – have a large footprint and are typically single-tenant. Tenants have typically invested significant capital at these properties and have signed long-term leases or have taken occupancy for a long period of time.

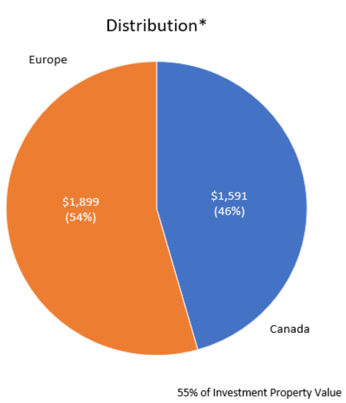
Focused portfolio strategy

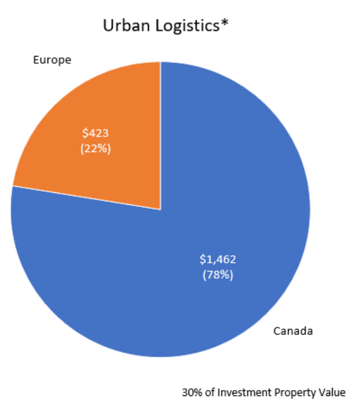
In Canada, the Trust's focus is on mid- to large-bay properties primarily in the GTA and the Greater Montréal Area where it expects to benefit from increased user demand relative to supply of quality industrial product, and where in-place rental rates are generally below market rental rates and the outlook for rental rate growth is robust. The Trust is also targeting to increase scale in our existing sub-markets and add to its large urban logistics clusters.

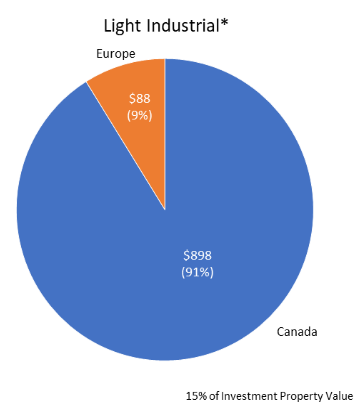
In Europe, the Trust's goal is to acquire mid- to large-bay properties in major Western European markets. Across these markets there is growing demand for urban logistics space, increased user demand relative to supply of quality industrial product, attractive going-in capitalization rates and upside potential from growth in market rents.

In the U.S., the Trust will continue to pursue long-term growth alongside strong institutional partners through its retained interest in a private U.S. industrial fund (the "U.S. Fund"). This structure allows the Trust to continue to grow in attractive U.S. industrial markets, improving overall portfolio quality and diversification while maintaining an enhanced geographic mix. A subsidiary of the Trust will provide property management, accounting, construction management and leasing services to the U.S. Fund at market rates. This is expected to provide a growing income stream to the Trust as the U.S. Fund scales in attractive U.S. industrial markets.

As at June 30, 2022, the Trust's investment property value (excluding the U.S. portfolio and properties under development) by building type allocated by region is as follows:







* All dollar amounts in these charts are presented in millions.

Key property statistics by building type as at June 30, 2022 are summarized in the table below:

				June 30, 2022
	Distribution	Urban logistics	Light industrial	Total
Number of assets[(1)(2)]	132	90	35	257
Number of buildings[(2)]	149	171	52	372
Total GLA (thousands of square feet)[(2)]	28,955	11,816	5,278	46,049
Owned GLA (thousands of square feet)[(3)]	22,936	10,925	5,278	39,139
Site area (in acres)[(2)]	1,180	624	302	2,106

(1) Number of assets comprises a building, or a cluster of buildings in close proximity to one another attracting similar tenants.

(2) Includes the Trust's owned and managed properties as at June 30, 2022.

(3) Includes the Trust's share of equity accounted investment as at June 30, 2022.

Development strategy

The Trust's greenfield program is a combination of projects wholly owned by the Trust and those owned through a 25% interest in a develop-to-hold Development JV with a leading sovereign wealth fund that was established subsequent to quarter-end Q1 2022.

The Trust's greenfield projects consist of three development sites totalling 78 acres in the GTA and Calgary. These sites should support the development of approximately one million square feet in the near to medium term.

The 8-acre Abbotside site is attractively located in close proximity to Highway 410 in Caledon. The Trust is currently underway on the development of a 154,000 square foot logistics facility. The construction contract has been awarded and construction commenced over the quarter. The Trust expects construction to be completed in the first half of 2023 with a forecasted unlevered yield on cost of 7.0%.

During the first half of the year, the Trust acquired a 50-acre site in the Balzac sub-market of Calgary as well as a 20-acre site in close proximity. The Trust is currently in the planning stages of constructing two buildings totalling approximately 815,000 square feet at these sites. The Trust expects completion in the next 24–30 months, with a forecasted unlevered yield on cost of approximately 6%.

During the quarter, the Trust, along with Dream Unlimited Corp., announced the formation of the Development JV with the Partner, a leading global sovereign wealth fund. The Trust and the Partner are targeting to contribute up to a combined total of $1.5 billion into the Development JV. The Development JV will target to buy $500 million of well-located development sites in the GTA and other select markets within the GGHA to build high-quality, best-in-class industrial assets with the intention to hold the properties following stabilization. The Partner will commit to a 75% ownership interest in the Development JV with the Trust maintaining a 25% ownership interest. The Development JV intends to keep the development projects unlevered within the venture, with each party utilizing debt on their respective balance sheets to fund their respective share of the land acquisition and construction costs. Currently, the Development JV owns three sites located in the GTA and GGHA that should support the development of over 1.3 million square feet of GLA over the next 30 months.

In addition to its greenfield program, the Trust has the unique opportunity to add high-quality GLA through the expansion and redevelopment of existing sites across its predominantly urban portfolio in North America and Europe. The Trust continuously evaluates redevelopment and intensification opportunities across its portfolio from technical and financial feasibility perspectives, and its current redevelopment pipeline consists of several sites in Ontario and Europe. The Trust continues to add to its redevelopment/intensification pipeline through its acquisition activity. The Trust's cumulative acquisition activity allowed it to add over 2.5 million square feet of excess density on its current income-producing assets that the Trust can develop over time.

The Trust currently has approximately 0.7 million square feet of projects underway and an additional 1.9 million square feet of projects at its share that are in advanced stages of planning. The Trust expects a significant portion of these projects to be completed in the next 24 months and generate an attractive unlevered yield on cost of approximately 6.3%.

The following table provides details on the Trust's projects that are currently underway or in advanced stages of planning:

(in millions of dollars) Location	Region	GLA[1] (in thousands of sq. ft.)	Cost incurred[2]	Cost to complete	Total cost	Construction completion	Unlevered yield	Current objective
Substantially complete								
401 Marie-Curie Boulevard, Montréal – Ph. 1	Québec	132	$ 14.3	$ 0.2	$ 14.5	H1 2022	8.9%	Intensification
The Hague, Netherlands	Europe	65	13.7	—	13.7	H1 2022	6.2%	Intensification
Total substantially complete		197	$ 28.0	$ 0.2	$ 28.2		7.6%	
Underway								
401 Marie-Curie Boulevard, Montréal – Ph. 2	Québec	96	6.0	8.9	14.9	H2 2022	7.7%	Intensification
Dresden, Germany	Europe	241	20.0	8.6	28.6	H2 2022	6.5%	Intensification
100 East Beaver Creek, Richmond Hill	Ontario	43	4.2	1.8	6.0	H2 2022	11.3%	Intensification
Blaise Pascal, Montréal	Québec	120	0.8	18.3	19.1	H1 2023	7.9%	Intensification
Abbotside, Caledon	Ontario	154	19.4	18.9	38.3	H1 2023	7.3%	New development
Terrebonne, QC	Québec	29	—	7.3	7.3	H1 2023	5.3%	Intensification
Total underway		683	$ 50.4	$ 63.8	$ 114.2		7.3%	
Planning								
Cambridge, ON[3]	Ontario	106				H2 2023		New development
Mississauga, ON	Ontario	209				H2 2023		Redevelopment
Whitby, ON	Ontario	379				H2 2024		Redevelopment
Brampton, ON[3]	Ontario	208				H1 2025		New development
Balzac, AB	Alberta	475				H2 2024		New development
Balzac, AB	Alberta	340				H2 2023		New development
Montréal, QC	Québec	167				H2 2023		Intensification
Total planning		1,884	~ $ 110	~ $ 323	~ $ 433		~ 6.0%	
Total near-term development pipeline		2,764	~ $ 188	~ $ 387	~ $ 575		~ 6.3%	

(1) Represents total GLA of new development and redevelopment projects and incremental GLA for intensification projects.

(2) Includes cost of land purchased for new development projects as well as associated closing costs. For redevelopment projects, includes fair value of the respective properties.

(3) The respective GLA and estimated costs shown in the table reflect the Trust's 25% share of the Development JV.

The Trust continued construction of a two-phase intensification project at 401 Marie-Curie Boulevard, a 527,000 square foot Class A distribution facility in the Greater Montréal Area. The property is situated on 38.4 acres of land with site coverage of 32%, offering the opportunity to increase the property's footprint by approximately 228,000 square feet, taking coverage to 45%. The first phase of construction is substantially complete with the Trust signing a lease for the entire 132,000 square foot expansion, taking occupancy on April 1, 2022, resulting in an unlevered yield on construction costs of 8.9%. The second phase of construction, for 96,000 square feet, commenced in Q4 2021. We expect to achieve an unlevered yield on construction costs of over 7.7% on the two-phase project.

The Trust recently completed the 65,000 square foot expansion at its recently acquired 600,000 square foot high-tech and industrial cluster in The Hague, Netherlands. The expansion is already pre-leased and construction was completed over the quarter, with an unlevered yield on construction costs of approximately 6.2%.

The intensification project in Dresden, Germany, advanced to the construction phase of the development in Q4 2021, with completion scheduled for Q4. The 30.4-acre site holds an existing 274,000 square foot asset, and site density will increase by approximately 20% with the 241,000 square foot expansion. This prime logistics facility expansion is estimated to achieve an unlevered yield on construction costs of 6.5%.

Construction has commenced on an expansion of an existing 110,000 square foot property in the GTA at 100 East Beaver Creek, which is located in Richmond Hill and is close to Highway 404 and Highway 407. The 43,000 square foot facility has been leased and scheduled to be completed within the year, with an anticipated unlevered yield on construction costs of over 11%.

The Trust advanced the greenfield development of the 154,000 square foot prime logistics facility in Caledon, Ontario, and 120,000 square foot expansion in Montréal, Québec. For both projects, construction commenced with an anticipated completion over the next 12–18 months.

In addition to the above projects, the Trust is in the preliminary stages of planning for approximately 0.9 million square feet of near-term expansion and redevelopment opportunities as shown in the following table. The Trust continues to advance other intensification opportunities across its portfolio. The Trust currently estimates that its excess land portfolio provides opportunities to add approximately 1.7 million square feet of high-quality industrial space over time.

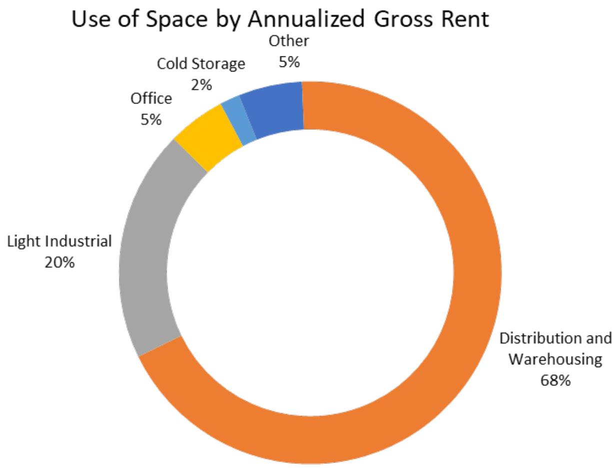
Location	Region	GLA[1] (in thousands of sq. ft.)	Current objective
Brebières, FR	France	425	Intensification
Amiens, FR	France	136	Intensification
Breda, NL	Netherlands	183	Redevelopment
Bodegraven, NL	Netherlands	91	Intensification
Varsseveld, NL	Netherlands	24	Intensification
Total pipeline		859	

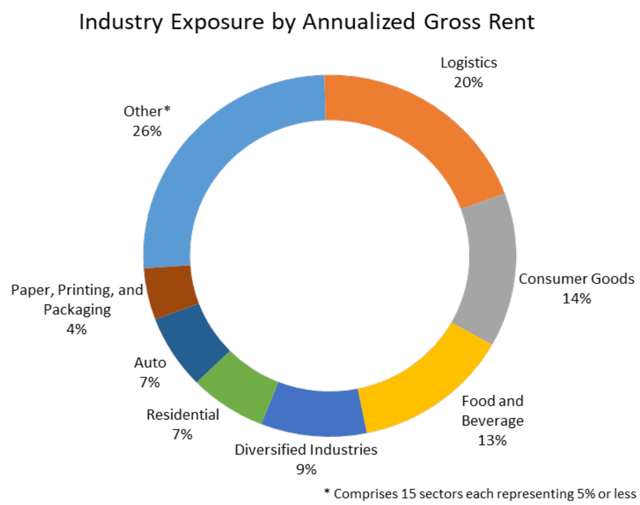
(1) Represents total GLA of the projects for new development and redevelopment and incremental GLA for intensification projects.

Tenant base profile

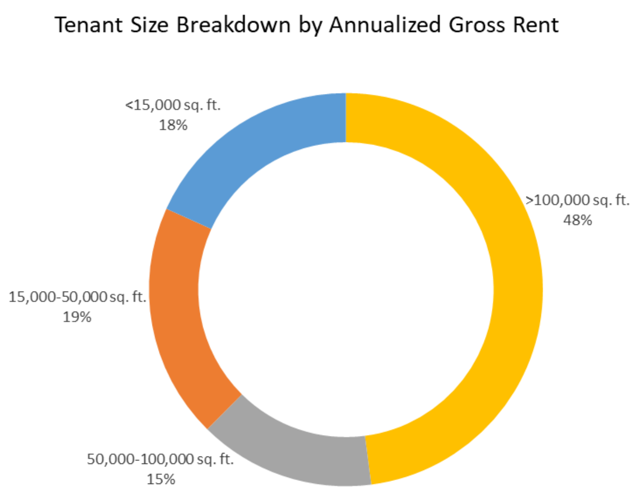
Our portfolio comprises primarily functional distribution and warehousing space occupied by tenants from various industries, with no single industry accounting for more than 20% of annualized gross rent. As at June 30, 2022, the Trust had over 1,300 tenants (including those tenants occupying investment properties that are owned, managed and classified as assets held for sale).

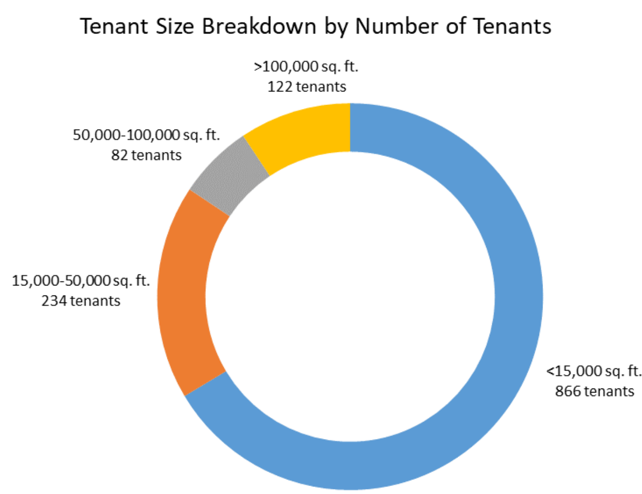
The following charts show the industries in which our tenants operate, and their use of space based on annualized gross rental revenue, as at June 30, 2022:





The following charts show the tenant size breakdown by annualized gross rental revenue and the tenant size breakdown by number of tenants as at June 30, 2022:





Approximately 82% of our annualized gross rental revenue was derived from over 435 tenants each occupying over 15,000 square feet with an average size of approximately 93,000 square feet. The remaining annualized gross rental revenue was derived from 866 smaller tenants primarily located in the urban logistics assets.

The following table outlines the contributions to our annualized gross rental revenue of our top ten tenants (including equity accounted investment) as at June 30, 2022. Our top ten tenants have a weighted average lease term of 5.1 years.

Rank	Tenant	Use of space	Gross rental revenue	Thousands of sq. ft.
1.	Auchan Supermarché Plaisir	Distribution & warehousing	2.7%	1,583
2.	Conforama	Distribution & warehousing	1.1%	597
3.	Immeubles RB Ltd.	Distribution & warehousing	1.1%	419
4.	ESM Ertl Systemlogistik	Distribution & warehousing	1.0%	472
5.	Gienow Windows and Doors	Distribution & warehousing, light industrial	1.0%	371
6.	Spectra Premium Industries Inc.	Distribution & warehousing, light industrial	1.0%	476
7.	TC Transcontinental	Distribution & warehousing, light industrial	0.8%	317
8.	RLS Slovakia, s.r.o.	Distribution & warehousing	0.8%	597
9.	Amazon Canada	Distribution & warehousing	0.8%	327
10.	DHL Supply Chain s.r.o.	Distribution & warehousing	0.8%	661
	Total		11.1%	5,820

Our portfolio is well diversified, with no single tenant representing more than 3% of gross rental revenue.

Assets (also known as investment properties) comprise a building, or a cluster of buildings in close proximity to one another attracting similar tenants. Many of our buildings form parts of larger clusters and business parks. As part of our asset management strategy, we approach these clusters as a single asset for the purposes of capital allocation, leasing and property management initiatives.

The table below summarizes the grouping of buildings into property clusters by region as at June 30, 2022 and December 31, 2021:

	June 30, 2022				December 31, 2021			
	Number of buildings[1]	**Number of assets[1]**	**Owned GLA[2] (thousands of sq. ft.)**	**Total GLA[1] (thousands of sq. ft.)**	Number of buildings[1]	Number of assets[1]	Owned GLA[2] (thousands of sq. ft.)	Total GLA[1] (thousands of sq. ft.)
Ontario	**102**	**66**	**8,859**	**8,859**	97	60	8,444	8,444
Québec	**48**	**35**	**5,912**	**5,912**	47	34	5,737	5,737
Western Canada	**80**	**42**	**5,071**	**5,071**	80	42	5,071	5,071
Canadian portfolio	**230**	**143**	**19,842**	**19,842**	224	136	19,252	19,252
European portfolio	**105**	**91**	**16,951**	**16,951**	93	82	15,367	15,367
Total before U.S. portfolio	**335**	**234**	**36,793**	**36,793**	317	218	34,619	34,619
U.S. portfolio	**37**	**23**	**2,346**	**9,256**	34	21	1,973	8,428
Total portfolio	**372**	**257**	**39,139**	**46,049**	351	239	36,592	43,047

(1) Includes the Trust's owned and managed properties as at June 30, 2022 and December 31, 2021.

(2) Includes the Trust's share of equity accounted investment as at June 30, 2022 and December 31, 2021.

OUR OPERATIONS

The following key performance indicators influence our cash generated from operating activities.

Total portfolio in-place and committed occupancy

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

			Total portfolio
(percentage)	**June 30, 2022**	March 31, 2022	June 30, 2021
Ontario	**99.5**	99.2	96.2
Québec	**99.5**	99.2	98.5
Western Canada	**97.5**	96.9	95.9
Canadian portfolio	**99.0**	98.6	96.8
European portfolio	**99.0**	99.0	99.2
Total before U.S. portfolio	**99.0**	98.8	97.8
U.S. portfolio(1)	**100.0**	97.7	98.8
Total portfolio	**99.1**	98.7	98.0

(1) Includes the Trust's share of equity accounted investment as at June 30, 2022 and March 31, 2022.

Our in-place and committed occupancy, excluding the U.S. portfolio, includes lease commitments totalling approximately 157,000 square feet for space that is being readied for occupancy but for which rental revenue is not yet recognized.

In-place and committed occupancy in Ontario increased by 30 basis points ("bps") relative to March 31, 2022. During the quarter, the Trust acquired six fully occupied properties totalling approximately 448,000 square feet. Additionally, 286,000 square feet of new leases and 461,000 square feet of renewals commenced compared to 498,000 square feet of expiries. On a year-over-year basis, in-place and committed occupancy increased by 330 bps relative to June 30, 2021.

In-place and committed occupancy in Québec increased by 30 bps relative to March 31, 2022 and increased by 100 bps relative to June 30, 2021, primarily due to net positive leasing absorptions. During the quarter, 388,000 square feet of new leases and renewals commenced compared to 211,000 square feet of expiries. The Trust continues to actively address future expiries to capture higher rents.

In-place and committed occupancy in Western Canada increased by 60 bps compared to the prior quarter with 240,000 square feet of new and renewed leases having commenced during the quarter, offset by 201,000 square feet of expiries and terminations. The Trust continues to actively market the vacant spaces and concluded the quarter with 128,000 square feet of committed vacancies which are mainly in Calgary. On a year-over-year basis, in-place and committed occupancy increased by 160 bps relative to June 30, 2021.

In-place and committed occupancy in Europe remained flat quarter-over-quarter and decreased by 20 bps compared to June 30, 2021. The Trust continues to actively address future expiries to capture higher rents and to a lesser extent market its vacant spaces in Europe, representing less than 1% as at June 30, 2022.

In-place and committed occupancy in the U.S. increased by 230 bps relative to March 31, 2022 and increased by 120 bps relative to June 30, 2021. During the quarter, 380,000 square feet of expiries were fully renewed and 60,000 square feet of new leases commenced. As at June 30, 2022, there were no uncommitted vacancies.

Canadian and European portfolios occupancy continuity

The following tables detail the changes in in-place and committed occupancy across our Canadian and European portfolios (excluding the U.S. portfolio) for the three and six months ended June 30, 2022:

	Three months ended June 30, 2022					
	Canadian portfolio		European portfolio		Total portfolio	
	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA
Occupancy (in-place and committed) at beginning of period	19,295	98.6%	15,525	99.0%	34,820	98.8%
Vacancy committed for future occupancy	(436)	(2.2%)	—	—%	(436)	(1.2%)
Occupancy (in-place) at beginning of period	18,859	96.4%	15,525	99.0%	34,384	97.6%
Occupancy related to properties reclassified to development	(212)		—		(212)	
Occupancy related to acquired properties and remeasurements	492		1,195		1,687	
Impact of substantially completed expansions	—	—%	—	(0.4%)	—	—%
Occupancy (in-place) at beginning of period – adjusted	19,139	96.5%	16,720	98.6%	35,859	97.6%
Natural expiries and relocations	(892)	(4.5%)	(244)	(1.4%)	(1,136)	(3.2%)
Early terminations	(139)	(0.7%)	—	—%	(139)	(0.4%)
New leases	771	3.9%	244	1.4%	1,015	2.8%
Renewals and relocations	605	3.0%	68	0.4%	673	1.8%
Occupancy (in-place) at period-end	19,484	98.2%	16,788	99.0%	36,272	98.6%
Vacancy committed for future occupancy	157	0.8%	—	0.0%	157	0.4%
Occupancy (in-place and committed) at period-end	19,641	99.0%	16,788	99.0%	36,429	99.0%

	Six months ended June 30, 2022					
	Canadian portfolio		European portfolio		Total portfolio	
	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA	Thousands of sq. ft.	Percentage of GLA
Occupancy (in-place and committed) at beginning of period	18,784	97.6%	15,212	99.0%	33,996	98.2%
Vacancy committed for future occupancy	(172)	(0.9%)	(2)	—%	(174)	(0.5%)
Occupancy (in-place) at beginning of period	18,612	96.7%	15,210	99.0%	33,822	97.7%
Occupancy related to properties reclassified to development	(212)		—		(212)	
Occupancy related to acquired properties and remeasurements	670		1,509		2,179	
Impact of substantially completed expansions(1)	—	(0.6%)	—	(0.4%)	—	(0.4%)
Occupancy (in-place) at beginning of period – adjusted	19,070	96.1%	16,719	98.6%	35,789	97.3%
Natural expiries and relocations	(1,749)	(8.8%)	(1,276)	(7.6%)	(3,025)	(8.3%)
Early terminations	(164)	(0.8%)	—	—%	(164)	(0.4%)
New leases	1,031	5.2%	351	2.1%	1,382	3.8%
Renewals and relocations	1,296	6.5%	994	5.9%	2,290	6.2%
Occupancy (in-place) at period-end	19,484	98.2%	16,788	99.0%	36,272	98.6%
Vacancy committed for future occupancy	157	0.8%	—	0.0%	157	0.4%
Occupancy (in-place and committed) at period-end	19,641	99.0%	16,788	99.0%	36,429	99.0%

(1) The expanded spaces relate to the first phase of construction at 401 Marie-Curie Boulevard in Québec and the completed expansion in The Hague, Netherlands for the Canadian and European portfolio, respectively.

The overall tenant retention ratio across our Canadian and European portfolios for the three and six months ended June 30, 2022 was 59.2% and 75.7%, respectively. Tenant retention ratio is calculated as the ratio of total square feet of renewed and relocated space over natural expiries and relocations. In our Canadian portfolio, our retention rate was lower for the second quarter as we were able to achieve new leases at rental rate spreads of 31% which commenced in the quarter.

Canadian and European portfolios new lease, renewal and relocation spreads

The following table details the new lease, renewal and relocation spreads for deals transacted from April 1, 2022 to August 2, 2022 across our Canadian and European portfolios (excluding U.S. portfolio):

Canadian and European portfolios	Thousands of sq. ft.	Rental rate spread[1]
Ontario	302	90.8%
Québec	270	69.0%
Western Canada	543	2.4%
Canadian portfolio	1,115	39.1%
European portfolio	308	10.6%

(1) Rental rate spread (%) is calculated as the ratio of rental rate spread (per sq. ft.) divided by the weighted average prior and expiring rate (per sq. ft.). Rental 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. Rental rate spread excludes deals on leased space that has been vacant upon acquisition.

The following table details the new lease, renewal and relocation spreads for deals transacted from January 1, 2022 to August 2, 2022 across our Canadian and European portfolios (excluding U.S. portfolio):

Canadian and European portfolios	Thousands of sq. ft.	Rental rate spread[1]
Ontario	636	71.4%
Québec	851	42.0%
Western Canada	981	3.7%
Canadian portfolio	2,468	31.0%
European portfolio	1,179	13.6%

(1) Rental rate spread (%) is calculated as the ratio of rental rate spread (per sq. ft.) divided by the weighted average prior and expiring rate (per sq. ft.). Rental 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. Rental rate spread excludes deals on leased space that has been vacant upon acquisition.

For the three and six months ended June 30, 2022, our leasing team transacted approximately 1.4 million and 3.6 million square feet of leasing activity, respectively. Rental spreads were strong in Ontario, Québec and Europe, reflecting the robust demand for industrial space in those regions. Along with capturing significant rental rate growth, the Trust is programmatically adding contractual annual rental rate escalators to its leases that allow for consistently rising comparative properties NOI over time. In Western Canada, improving market conditions allowed the Trust to embed higher contractual rent steps within transacted leases. Currently, the average contractual rental growth embedded in the Trust's Canadian portfolio equates to over 2.5%. In the Trust's European portfolio, approximately 90% of the leases are indexed to the CPI.

Canadian and European portfolios rental rates

Average in-place and committed base rent is contractual base rent and excludes recoveries and recoverable tenant inducements.

The following table details the average in-place and committed base rent by region for our Canadian and European portfolios (excluding U.S. portfolio):

	Average in-place and committed base rent (per sq. ft.)		
Canadian and European portfolios	**June 30, 2022**	March 31, 2022	June 30, 2021
Ontario	$ **8.07**	$ 7.80	$ 7.46
Québec	**7.58**	7.44	6.98
Western Canada	**8.80**	8.80	8.72
Canadian portfolio	**$ 8.11**	$ 7.95	$ 7.67
European portfolio (€)	**€ 4.99**	€ 4.80	€ 4.51

As at June 30, 2022, the average in-place and committed base rent for our Canadian portfolio was $8.11 per square foot, compared to $7.95 per square foot as at March 31, 2022 and $7.67 per square foot as at June 30, 2021. The increase in the Canadian portfolio is driven by lease renewals and future lease commitments, capturing strong positive rental rate spreads primarily in the Ontario and Québec regions as well as higher in-place rents on acquisitions closed during the quarter.

As at June 30, 2022, the average in-place and committed base rent for our European portfolio was €4.99 per square foot, compared to €4.80 per square foot as at March 31, 2022 and €4.51 per square foot as at June 30, 2021. The increase in weighted average in-place and committed rents compared to comparative periods was attributable to positive leasing absorptions and indexation of rents to CPI.

The following table compares the average in-place and committed base rent per square foot with our estimated market rent per square foot by region for our Canadian and European portfolios (excluding U.S. portfolio) as at June 30, 2022:

				June 30, 2022
Canadian and European portfolios	Average in-place and committed base rent (per sq. ft.)	Estimated market rent (per sq. ft.)	Estimated market rent/ average in-place and committed base rent	WALT (years)
Ontario	$ 8.07	$ 13.16	63.1%	4.3
Québec	7.58	11.32	49.3%	3.7
Western Canada	8.80	8.87	0.8%	3.5
Canadian portfolio	$ 8.11	$ 11.53	42.2%	3.9
European portfolio (€)	€ 4.99	€ 5.25	5.2%	5.7
Total portfolio (excluding U.S. portfolio) WALT (years)				4.7

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, the lease term and a normal level of tenant inducements. Market rental rates are also compared quarterly against recent comparable lease deals in each market and quarterly independent external appraisal information, if applicable. The current estimated market rents are at a point in time, with no allowance for increases in future years, and are subject to change based on future market conditions in the respective regions.

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.

Canadian and European portfolios lease maturity profile, net of lease commitments

The following table details our Canadian and European portfolios lease maturity profile by region, net of renewals and new leases completed as at June 30, 2022.

Canadian and European portfolios (in thousands of sq. ft.)	Vacancy, net of commitments	Remainder of 2022	2023	2024	2025	2026	2027+	Total
Ontario	45	270	1,448	748	1,299	1,520	3,529	8,859
Québec	30	95	985	1,172	1,277	711	1,642	5,912
Western Canada	126	228	995	834	717	682	1,489	5,071
Canadian portfolio	201	593	3,428	2,754	3,293	2,913	6,660	19,842
European portfolio	163	652	1,017	1,261	1,571	2,619	9,668	16,951
Canadian and European portfolios total GLA	364	1,245	4,445	4,015	4,864	5,532	16,328	36,793
Percentage of Canadian and European total GLA	1.0%	3.4%	12.1%	10.9%	13.2%	15.0%	44.4%	100.0%

Canadian and European portfolios lease expiry profile for the remainder of 2022

The following table details our Canadian and European portfolios lease maturity profile for the remainder of 2022 by region, net of renewals and net of committed new leases on vacant space. The lease maturity profile excludes the U.S. portfolio.

Canadian and European portfolios (in thousands of sq. ft.)	Ontario	Québec	Western Canada	Canadian portfolio	European portfolio	Total
Remainder of 2022 expiries (as at June 30, 2022)	(487)	(601)	(825)	(1,913)	(1,404)	(3,317)
Expiries committed for renewals	217	506	597	1,320	752	2,072
Expiries, net of committed renewals	(270)	(95)	(228)	(593)	(652)	(1,245)
Commitment as a % of expiries	44.6%	84.2%	72.4%	69.0%	53.6%	62.5%
Current vacancies	(74)	(30)	(254)	(358)	(163)	(521)
Current vacancies committed for future occupancy	29	—	128	157	—	157
Current vacancies, net of commitments for future occupancy	(45)	(30)	(126)	(201)	(163)	(364)

Net rental income

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

The chief operating decision-maker, determined to be the Chief Executive Officer of the Trust, continues to take into consideration the operating performance of its retained interest in the U.S. portfolio after the sale to the U.S. Fund when assessing the operating performance of the U.S. Accordingly, effective July 1, 2021, the Trust's segmented income included the Trust's share of net rental income from equity accounted investment in the U.S. Fund.

For a detailed discussion about investment properties revenue and operating expenses for the three and six months ended June 30, 2022 and June 30, 2021, refer to the section “Our Results of Operations”.

	Three months ended June 30,								Six months ended June 30, 2022					
		2022				2021				2022				2021
		Amount	%		Amount	%		Amount	%		Amount	%
Ontario	$	**18,858**	**27%**	$	13,511	26%	**$**	**36,361**	**27%**	$	26,121	27%
Québec		**11,876**	**17%**		9,259	18%		**22,838**	**17%**		16,744	17%
Western Canada		**11,137**	**17%**		10,513	21%		**21,690**	**16%**		21,028	21%
Canadian portfolio		**41,871**	**61%**		33,283	65%		**80,889**	**60%**		63,893	65%
European portfolio		**25,973**	**38%**		8,406	17%		**51,059**	**38%**		15,281	16%
U.S. portfolio		**3,514**	**5%**		9,363	18%		**6,279**	**5%**		18,503	19%
Net property management and other income		**885**	**1%**		—	—%		**2,096**	**2%**		—	—%
Net rental income from sold properties		**—**	**0%**		43	0%		**(2)**	**0%**		80	0%
Less: Net rental income from equity accounted investment		**(3,514)**	**(5%)**		—	—%		**(6,279)**	**(5%)**		—	—%
Net rental income	**$**	**68,729**	**100%**	$	51,095	100%	**$**	**134,042**	**100%**	$	97,757	100%

Net rental income for the three and six months ended June 30, 2022 increased by $17.6 million, or 34.5%, and $36.3 million, or 37.1%, respectively, over the prior year comparative periods. The increase was mainly driven by the impact of acquired investment properties in 2022 and 2021, as well as comparative properties NOI (constant currency basis) growth in 2022, partially offset by the impact of investment properties disposed of during 2021.

Comparative properties NOI (constant currency basis)

Comparative properties NOI (constant currency basis) is a non-GAAP financial measure used by management in evaluating the performance of properties fully owned by the Trust in the current and prior year comparative periods, using a constant currency basis. Comparative properties NOI (constant currency basis) is lower during periods of free rent to reflect that there is no cash rent received. For accounting purposes, free rent is recorded and amortized within straight-line rent. See the “Non-GAAP Financial Measures” section for a description of this non-GAAP financial measure.

The chief operating decision-maker, determined to be the Chief Executive Officer of the Trust, continues to take into consideration the operating performance of its retained interest in the U.S. portfolio after the sale to the U.S. Fund when assessing the operating performance of the U.S. segment. Accordingly, effective July 1, 2021, the Trust’s segmented income included the Trust’s share of comparative properties NOI (constant currency basis) from equity accounted investment.

The tables below detail the comparative properties NOI (constant currency basis) and other items to assist in understanding the impact each component has on net rental income for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended				Change in weighted average occupancy %	Change in in-place base rent %	Owned and managed GLA (thousands of sq. ft.)
	June 30, 2022	June 30, 2021	Change in $	Change in %			
Ontario	**$ 14,843**	$ 13,211	$ 1,632	12.4%	1.6%	9.2%	6,862
Québec	**10,493**	9,076	1,417	15.6%	2.0%	10.5%	5,288
Western Canada	**11,504**	10,695	809	7.6%	2.4%	1.8%	5,071
Canadian portfolio	**36,840**	32,982	3,858	11.7%	2.0%	7.2%	17,221
European portfolio (constant currency basis)	**7,016**	6,652	364	5.5%	(0.5%)	4.6%	4,173
U.S. portfolio (constant currency basis)	**2,489**	2,442	47	1.9%	(0.6%)	2.7%	1,880
Comparative properties NOI (constant currency basis)	**46,345**	42,076	4,269	10.1%	1.4%	6.8%	23,274
Impact of foreign currency translation on comparative properties NOI	**—**	502	(502)				
NOI from acquired properties – Canada	**4,830**	380	4,450				
NOI from acquired properties – Europe	**18,741**	1,126	17,615				
NOI from acquired properties – U.S.	**807**	29	778				
NOI from disposed share of properties	**—**	7,048	(7,048)				
Net property management and other income	**885**	—	885				
Straight-line rent	**1,566**	516	1,050				
Amortization of lease incentives	**(502)**	(469)	(33)				
Lease termination fees and other	**(318)**	(41)	(277)				
COVID-19 related adjustments and provisions	**(111)**	(72)	(39)				
Less: NOI from equity accounted investment	**(3,514)**	—	(3,514)				
Net rental income	**$ 68,729**	$ 51,095	$ 17,634	34.5%			

	Six months ended June 30, 2022	June 30, 2021	Change in $	Change in %	Change in weighted average occupancy %	Change in in-place base rent %	Owned and managed GLA (thousands of sq. ft.)
Ontario	**$ 28,849**	$ 25,037	$ 3,812	15.2%	3.2%	9.4%	6,755
Québec	**16,032**	14,045	1,987	14.1%	3.6%	7.3%	4,258
Western Canada	**22,459**	21,463	996	4.6%	1.2%	1.4%	5,069
Canadian portfolio	**67,340**	60,545	6,795	11.2%	2.7%	6.0%	16,082
European portfolio (constant currency basis)	**13,194**	12,496	698	5.6%	(0.3%)	5.1%	3,918
U.S. portfolio (constant currency basis)	**4,522**	4,284	238	5.6%	1.4%	3.3%	1,845
Comparative properties NOI (constant currency basis)	**85,056**	77,325	7,731	10.0%	2.1%	6.0%	21,845
Impact of foreign currency translation on comparative properties NOI	**—**	926	(926)				
NOI from acquired properties – Canada	**13,369**	3,465	9,904				
NOI from acquired properties – Europe	**37,074**	1,728	35,346				
NOI from acquired properties – U.S.	**1,437**	110	1,327				
NOI from disposed share of properties	**(2)**	14,122	(14,124)				
Net property management and other income	**2,096**	—	2,096				
Straight-line rent	**3,023**	985	2,038				
Amortization of lease incentives	**(1,130)**	(972)	(158)				
Lease termination fees and other	**(475)**	162	(637)				
COVID-19 related adjustments and provisions	**(127)**	(94)	(33)				
Less: NOI from equity accounted investment	**(6,279)**	—	(6,279)				
Net rental income	**$ 134,042**	$ 97,757	$ 36,285	37.1%			

For the three months ended June 30, 2022, comparative properties NOI (constant currency basis) was $46.3 million compared to $42.1 million in the prior year comparative quarter, reflecting an increase of $4.2 million, or 10.1%.

For the six months ended June 30, 2022, comparative properties NOI (constant currency basis) was $85.1 million compared to $77.3 million in the prior year, reflecting an increase of $7.8 million, or 10.0%.

For the three months ended June 30, 2022, comparative properties NOI (constant currency basis) in Ontario increased by $1.6 million, or 12.4%, compared to the prior year comparative quarter, primarily due to significant increases in rental spreads, contractual rent escalations from existing leases and strong increases in occupancy in all sub-markets. For the six months ended June 30, 2022, comparative properties NOI increased by $3.8 million, or 15.2%, compared to the prior year period primarily due to new leasing in the GTA, in addition to the same reasons as discussed.

For the three months ended June 30, 2022, comparative properties NOI (constant currency basis) in Québec increased by $1.4 million, or 15.6%, compared to the prior year comparative quarter as a result of increases in rental rates on new and renewed leases and increases in occupancy. For the six months ended June 30, 2022, comparative properties NOI increased by $2.0 million, or 14.1%, compared to the prior year period primarily due to new leasing in Montréal, in addition to the same reasons as discussed.

For the three months ended June 30, 2022, comparative properties NOI (constant currency basis) in Western Canada increased by $0.8 million, or 7.6%, compared to the prior year comparative quarter due to increases in occupancy in Edmonton and Regina and higher in-place rent on new leases signed in Calgary. For the six months ended June 30, 2022, comparative properties NOI increased by $1.0 million, or 4.6%, for primarily the same reasons as discussed.

For the three months ended June 30, 2022, comparative properties NOI (constant currency basis) in Europe increased by $0.4 million, or 5.5%, compared to the prior year comparative quarter, primarily attributable to higher rental rates on new and renewed leases in Netherlands and Germany as well as CPI indexation on leases in this portfolio. For the six months ended June 30, 2022, comparative properties NOI increased by $0.7 million, or 5.6%, for primarily the same reasons as discussed.

For the three months ended June 30, 2022, comparative properties NOI (constant currency basis) in the U.S. remained relatively consistent compared to the prior year comparative quarter. For the six months ended June 30, 2022, comparative properties NOI increased by $0.2, or 5.6% primarily due to increased occupancy and higher rental rates on new and renewed leases.

For the three and six months ended June 30, 2022, the Trust earned net property management and other income from the U.S. Fund totalling $0.9 million and $2.1 million, respectively, primarily attributable to leasing fees earned on new leases signed during the respective periods.

OUR RESULTS OF OPERATIONS

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Investment properties revenue	**$ 89,959**	$ 69,267	**$ 177,387**	$ 134,698
Investment properties operating expenses	**(21,230)**	(18,172)	**(43,345)**	(36,941)
Net rental income	**68,729**	51,095	**134,042**	97,757
Other income				
Share of net income from equity accounted investments	**23,031**	—	**41,425**	—
Interest, fee income and other	**163**	199	**272**	433
	23,194	199	**41,697**	433
Other expenses				
General and administrative	**(7,360)**	(5,188)	**(14,336)**	(9,703)
Interest:				
Debt and other financing costs(1)	**(4,970)**	(7,462)	**(9,020)**	(15,443)
Subsidiary redeemable units	**(3,247)**	(3,247)	**(6,493)**	(6,493)
Debt settlement costs	**—**	—	**—**	(3,059)
	(15,577)	(15,897)	**(29,849)**	(34,698)
Fair value adjustments and net loss on transactions and other activities				
Fair value adjustments to investment properties	**24,699**	207,117	**385,395**	281,718
Fair value adjustments to financial instruments	**84,242**	(74,971)	**111,903**	(76,845)
Net loss on transactions and other activities	**(4,923)**	(1,037)	**(6,028)**	(2,646)
	104,018	131,109	**491,270**	202,227
Income before income taxes	**180,364**	166,506	**637,160**	265,719
Current and deferred income tax expense, net	**(8,884)**	(6,211)	**(22,791)**	(10,160)
Net income	**$ 171,480**	$ 160,295	**$ 614,369**	$ 255,559
Other comprehensive loss				
Items that will be reclassified subsequently to net income:				
Unrealized loss on foreign currency translation of foreign operations, net of taxes	**$ (53,493)**	$ (3,807)	**$ (124,317)**	$ (33,742)
Unrealized gain (loss) on hedging instruments, net of taxes	**41,683**	(4,732)	**90,056**	13,859
Share of other comprehensive gain (loss) from equity accounted investment	**7,714**	(223)	**4,946**	(332)
	(4,096)	(8,762)	**(29,315)**	(20,215)
Comprehensive income	**$ 167,384**	$ 151,533	**$ 585,054**	$ 235,344

(1) For the three and six months ended June 30, 2022, the mark-to-market amortization netted against interest expense on debt and other financing costs was $768 and $1,525, respectively (for the three and six months ended June 30, 2021 – $nil and $48, respectively).

Investment properties revenue

Investment properties revenue includes base rent from investment properties, recovery of operating costs, property taxes and capital expenditures from tenants, property management and other income from the U.S. Fund, 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 months ended June 30, 2022 increased by $20.7 million, or 29.9%, when compared to the prior year comparative quarter. The increase was driven by organic growth in the portfolio (+$4.8 million), the impact of acquired properties in 2022 and 2021 (+$14.5 million) and property management income (+$1.3 million).

Investment properties revenue for the six months ended June 30, 2022 increased by $42.7 million, or 31.7%, when compared to the prior year comparative year. The increase was driven by organic growth in the portfolio (+$9.3 million), the impact of acquired properties in 2022 and 2021 (+$30.4 million) and property management income (+$3.0 million).

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 months ended June 30, 2022 increased by $3.1 million, or 16.8%, over the prior year comparative quarter. The increase was driven by organic growth in the portfolio (+$0.4 million), the impact of acquired properties in 2022 and 2021 (+$2.2 million) and property management expense (+$0.5 million).

Investment properties operating expenses for the six months ended June 30, 2022 increased by $6.4 million, or 17.3%, over the prior year comparative year. The increase was driven by organic growth in the portfolio (+$1.3 million), the impact of acquired properties in 2022 and 2021 (+$4.2 million) and property management expense (+$0.9 million).

General and administrative ("G&A") expenses

The following table summarizes our G&A expenses for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Asset management fee	**$ (3,173)**	$ (1,937)	**$ (6,116)**	$ (3,662)
Professional fees and general corporate expenses[1]	**(3,043)**	(2,084)	**(6,225)**	(4,320)
Deferred compensation expenses	**(1,144)**	(1,167)	**(1,995)**	(1,721)
Total	**$ (7,360)**	$ (5,188)	**$ (14,336)**	$ (9,703)

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

G&A expenses for the three and six months ended June 30, 2022 increased by $2.2 million, or 41.9%, and $4.6 million, or 47.7%, respectively, when compared to the prior year respective periods. Asset management fees increased due to acquired properties in 2022 and 2021. Professional fees and general corporate expenses increased year-over-year primarily due to costs associated with growth in the European portfolio.

Share of net income from equity accounted investments

Share of net income from equity accounted investments represents our share of net income pick-up from our investment in the U.S. Fund effective July 1, 2021, and in the Development JV effective April 29, 2022.

Net income from the U.S. Fund mainly comprises net rental income, interest expense on debt, G&A expenses, and fair value adjustments to investment properties and debt. Net income from our investment in the U.S. Fund may vary year-over-year or quarter-over-quarter due to fluctuations in fair value adjustments to investment properties and debt and changes in our ownership levels. For the three and six months ended June 30, 2022, our share of net income from the U.S. Fund was $23.0 million and $41.4 million, respectively.

The Development JV does not currently earn any income as its properties are in the development phase.

Interest expense on debt and other financing costs

Interest expense on debt and other financing costs for the three and six months ended June 30, 2022 decreased by $2.5 million, or 33.4%, and $6.4 million, or 41.6%, respectively, when compared to the prior year respective periods. Interest expense decreased primarily due to Canadian, European and U.S. mortgages discharged during 2021, partially offset by interest incurred on the unsecured debentures entered into during the past year.

Debt settlement costs

During the three and six months ended June 30, 2022, the Trust did not incur debt settlement costs.

During the six months ended June 30, 2021, the Trust early discharged seven Canadian mortgages totalling $130.7 million, with net proceeds from the January 2021 public offering of REIT Units. The Trust incurred debt settlement costs totalling $3.1 million in relation to the early discharge of mortgages.

Fair value adjustments to investment properties

Refer to the "Investment Properties" section under the heading "Fair value adjustments to investment properties" for a discussion of fair value changes to investment properties for the three and six months ended June 30, 2022 and June 30, 2021.

Fair value adjustments to financial instruments

The fair value adjustments to subsidiary redeemable units and deferred trust units are dependent on the change in the Trust's unit price, and the adjustments may vary significantly year-over-year.

The fair value measurements of the interest rate swaps are calculated internally using external data provided by qualified professionals based on the present value of the estimated future cash flows determined using observable yield curves, and the adjustments may vary significantly year-over-year.

The following table summarizes our fair value adjustments to financial instruments for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Unrealized remeasurement of carrying value of subsidiary redeemable units	**$ 75,320**	$ (34,506)	**$ 95,356**	$ (39,515)
Unrealized remeasurement of carrying value of deferred trust units	**4,041**	(2,387)	**4,862**	(2,835)
Unrealized remeasurement of interest rate swaps	**4,881**	(443)	**11,685**	3,140
Loss on conversion of Subscription Receipts	**—**	(37,635)	**—**	(37,635)
Total	**$ 84,242**	$ (74,971)	**$ 111,903**	$ (76,845)

Net loss on transactions and other activities

The following table summarizes our net loss on transactions and other activities for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Internal leasing costs	**$ (1,073)**	$ (902)	**$ (2,164)**	$ (1,800)
Foreign exchange loss(1)	**(3,404)**	(131)	**(3,414)**	(837)
Depreciation of property and equipment	**(1)**	(4)	**(5)**	(9)
Transaction costs on sale of investment properties	**(445)**	—	**(445)**	—
Total	**$ (4,923)**	$ (1,037)	**$ (6,028)**	$ (2,646)

(1) The foreign exchange loss relates to capital transactions denominated in foreign currency with foreign wholly owned subsidiaries.

Current and deferred income taxes expenses

Current income taxes expense for the three and six months ended June 30, 2022 was $0.8 million and $1.3 million, respectively, compared to $nil in prior comparative periods. The current income taxes expense in both periods is largely attributed to our Pan-European logistics portfolio acquired at the end of the second quarter of 2021.

Deferred income taxes expense for the three and six months ended June 30, 2022 and June 30, 2021 was $8.1 million and $21.5 million, compared to $6.2 million and $10.2 million, respectively. The increase in both periods is primarily due to the increase in fair value of investment properties and to a lesser extent our share of increase in fair value adjustments recorded at the U.S. Fund.

Other comprehensive income (loss)

Other comprehensive income (loss) comprises unrealized gain (loss) on foreign currency translation, unrealized gain (loss) on hedging instruments, net of taxes, and unrealized gain (loss) on foreign currency translation from our equity accounted investment. The unrealized gain (loss) on foreign currency translation may vary significantly year-over-year depending on the value of the Canadian dollar relative to the euro and U.S. dollar. The unrealized gain (loss) on hedging instruments may vary significantly year-over-year depending on the fair value adjustments on the CCIRS designated as hedges.

Funds from operations ("FFO") and diluted FFO per Unit

FFO is a non-GAAP financial measure and diluted FFO per Unit is a non-GAAP ratio. FFO is further defined and reconciled to net income which is its most comparable financial measure in the "Non-GAAP Financial Measures" section. Diluted FFO per Unit is a non-GAAP ratio and is calculated as FFO (a non-GAAP financial measure) divided by the weighted average number of Units. See the "Supplementary Financial Measures and Ratios and Other Disclosures" section for additional information about diluted amounts per Unit, under the heading "Weighted average number of Units".

FFO and diluted FFO per Unit for the three and six months ended June 30, 2022 and June 30, 2021 are shown in the table below:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Net income	**$ 171,480**	$ 160,295	**$ 614,369**	$ 255,559
FFO	**$ 58,925**	$ 39,158	**$ 115,563**	$ 74,066
Weighted average number of Units (in thousands)	**273,668**	204,866	**266,554**	195,370
FFO per Unit – diluted	**$ 0.22**	$ 0.19	**$ 0.43**	$ 0.38
Net income per Unit – diluted	**$ 0.63**	$ 0.78	**$ 2.30**	$ 1.31

Diluted FFO per Unit for the three and six months ended June 30, 2022 was $0.22 and $0.43, respectively, compared to $0.19 and $0.38, respectively, for the three and six months ended June 30, 2021. FFO per Unit was higher primarily driven by comparative properties NOI (constant currency basis) growth, NOI from acquired properties in 2022 and 2021, lower interest expense on debt and other financing costs, partially offset by an increase in G&A expenses from a larger portfolio and growth in the European platform.

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")

Under the asset management agreement (the "AMA") between the Trust and DAM, DAM provides certain asset management services to the Trust and its subsidiaries. The AMA provides the Trust and DAM the opportunity to agree on additional services to be provided to the Trust for which DAM is to be reimbursed on a cost-recovery basis.

The following table summarizes our fees paid to DAM and its affiliates for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Incurred under the AMA:				
Asset management fee (included in G&A expenses)	**$ (3,173)**	$ (1,937)	**$ (6,116)**	$ (3,662)
Asset management fee (included in properties under development)	**(25)**	—	**(25)**	—
Acquisition fee (included in investment properties)	**(2,000)**	(7,210)	**(3,572)**	(8,803)
Capital expenditures fee (included in investment properties)	**(1,082)**	—	**(1,432)**	—
Expense reimbursements related to financing arrangements	**(172)**	(193)	**(347)**	(433)
Total costs incurred under the AMA	**$ (6,452)**	$ (9,340)	**$ (11,492)**	$ (12,898)
Total costs reimbursed under the Shared Services and Cost Sharing Agreement	**$ (370)**	$ (181)	**$ (670)**	$ (293)

Effective January 1, 2022, the Trust and DAM amended the AMA, to clarify certain definitions and simplify the administration of the agreement including by creating separate contracts for North America ("North American AMA") and Europe ("European AMA"). For details regarding the North American AMA and European AMA, please see the "Agreements with DAM" section in our management's discussion and analysis dated as at May 3, 2022, which is incorporated by reference into this MD&A, and available on the System for Electronic Document Analysis and Retrieval ("SEDAR") (www.sedar.com). Capitalized terms used in this section but not defined have the meaning given to them in our Q1 2022 management's discussion and analysis.

Both the North American AMA and European AMA provide for an incentive fee and Incentive Distribution based on FFO per Unit, as defined in the agreements, in excess of the FFO hurdle amount. Both the North American hurdle and European hurdle were initially set at $0.95 per Unit as of January 1, 2020 and increase annually by 50% of the increase in the CPI ($0.98 as of January 1, 2022).

Disposition gains in the FFO per Unit calculations used for determining the incentive fee and Incentive Distribution are based on the actual disposition value, or fair value in the case of a termination of the agreement in accordance with its terms, of the Trust's North American and European investment properties, respectively, at the applicable date, relative to their historic purchase price. As at June 30, 2022, the historic purchase price for the Trust's North American and European investment properties was $2.7 billion and $2.5 billion, respectively.

As at June 30, 2022, no incentive fee under the North American AMA has been paid or is payable by the Trust to DAM. As at June 30, 2022, the fair value of the LP Class B Units held by DAM Europe was $nil and no Incentive Distribution has been paid or is payable by the Trust to DAM Europe.

The amount of the North American incentive fee payable by the Trust and the Incentive Distribution and the redemption price of the LP Class B Units on any date will be contingent upon various factors, including, but not limited to, changes in the Dream Industrial REIT's FFO (as defined in the North American AMA) and changes in the European FFO, 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.

Agreements with Dream Office Real Estate Investment Trust ("Dream Office REIT")

The following table summarizes the costs reimbursed to Dream Office REIT for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Total costs reimbursed under the Services Agreement	**$ (1,772)**	$ (1,437)	**$ (3,750)**	$ (2,761)

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 interest paid and payable to subsidiaries of Dream Office REIT on its subsidiary redeemable units for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Interest paid and payable to Dream Office REIT on subsidiary redeemable units	**$ (3,247)**	$ (3,247)	**$ (6,493)**	$ (6,493)

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

The following table summarizes our fees paid and costs reimbursed to an affiliate of PAULS Corp for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Total costs incurred under the Property Management Agreement[1]	**$ —**	$ (370)	**$ —**	$ (977)
Pre-development cost recovery/development fee	**—**	(177)	**—**	(186)
Total costs incurred under the Property Management Agreement	**$ —**	$ (547)	**$ —**	$ (1,163)
Total costs incurred under the Sub Property Management Agreement[2]	**$ (43)**	$ —	**$ (118)**	$ —

(1) Amounts include financing fees, leasing fees, and cost recovery for property management and portfolio management.

(2) Amounts include cost recovery for property management, leasing expenses and construction management.

Agreements with the U.S. Fund

The following table summarizes our fees earned from the U.S. Fund for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Total fees earned under the Property Management Agreement[1]	**$ 1,336**	$ —	**$ 2,984**	$ —

(1) Amounts include management fees, construction fees, leasing fees, and cost recovery for property management and accounting.

SECTION III

INVESTMENT PROPERTIES

Dream Industrial REIT's investment properties comprise income-producing properties, properties under development and land held for development. Our income-producing properties make up the large majority of the investment property portfolio. Properties under development include greenfield development or redevelopment projects for which planning and permitting are complete, construction has commenced, and if applicable, the existing property has been destabilized. Land held for development includes land parcels acquired for the purpose of constructing industrial income-producing properties, where no development activities are underway except for planning and other pre-development work.

Investment properties continuity

Changes in the value of our investment properties, excluding assets held for sale, by region for the three and six months ended June 30, 2022 are summarized in the following tables:

							Three months ended
	April 1, 2022	Property acquisitions	Building improvements, lease incentives and initial direct leasing costs(1)	Fair value adjustments(2)	Amortization of lease incentives, foreign currency translation(3) and other adjustments	Income-producing properties transferred to/from properties held for development	June 30, 2022
Ontario	$ 2,061,417	$ 129,901	$ 4,966	$ 19,663	$ 420	$ (41,899)	$ 2,174,468
Québec	1,036,866	10,366	6,213	12,723	307	—	1,066,475
Western Canada	661,624	—	5,220	1,978	(352)	—	668,470
Canadian portfolio	3,759,907	140,267	16,399	34,364	375	(41,899)	3,909,413
European portfolio	2,236,634	214,196	31,835	(10,273)	(62,767)	—	2,409,625
Total income-producing properties	5,996,541	354,463	48,234	24,091	(62,392)	(41,899)	6,319,038
Properties held for development	29,113	11,643	5,308	—	—	41,899	87,963
Total investment properties	$ 6,025,654	$ 366,106	$ 53,542	$ 24,091	$ (62,392)	$ —	$ 6,407,001

(1) Included in properties held for development is $5,308 of capitalized interest and other pre-development costs.

(2) During the three months ended June 30, 2022, the Trust wrote off acquisition related costs totalling $20,699 included in fair value adjustments on investment properties.

(3) Included in the European portfolio is foreign currency translation adjustment totalling $(63,063).

							Six months ended
	January 1, 2022	Property acquisitions and dispositions	Building improvements, lease incentives and initial direct leasing costs(1)	Fair value adjustments(2)	Amortization of lease incentives, foreign currency translation(3) and other adjustments	Income-producing properties transferred to/from properties held for development	June 30, 2022
Ontario	$ 1,843,987	$ 171,922	$ 9,841	$ 189,758	$ 859	$ (41,899)	$ 2,174,468
Québec	922,168	10,366	10,870	122,772	299	—	1,066,475
Western Canada	642,098	—	11,788	15,268	(684)	—	668,470
Canadian portfolio	3,408,253	182,288	32,499	327,798	474	(41,899)	3,909,413
European portfolio	2,210,713	282,539	39,086	23,345	(146,058)	—	2,409,625
Total income-producing properties	5,618,966	464,827	71,585	351,143	(145,584)	(41,899)	6,319,038
Properties held for development(4)	77,641	(71,575)	6,354	33,644	—	41,899	87,963
Total investment properties	$ 5,696,607	$ 393,252	$ 77,939	$ 384,787	$ (145,584)	$ —	$ 6,407,001

(1) Included in properties held for development is $6,354 of capitalized interest and other pre-development costs.

(2) During the six months ended June 30, 2022, the Trust wrote off acquisition related costs totalling $28,713 included in fair value adjustments on investment properties.

(3) Included in the European portfolio is foreign currency translation adjustment totalling $(147,053).

(4) Included in properties held for development was the sale of two land parcels totalling $97,293 to the Development JV on April 29, 2022. Refer to Note 8 for further details.

Significant assumptions used in the valuation of investment properties

The fair value of the investment properties as at June 30, 2022 and December 31, 2021 represents the Trust's best estimate based on internally and externally available information as at the end of the reporting period.

The Trust values its investment properties using both the direct cap 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 cap rate method are stabilized cap rates. The following table summarizes stabilized cap rates by region as at June 30, 2022 and December 31, 2021:

	Total portfolio[1]			
	June 30, 2022		December 31, 2021	
Stabilized cap rates	**Range (%)**	**Weighted average (%)[2]**	Range (%)	Weighted average (%)[2]
Ontario	**4.25–8.00**	**4.98**	4.00–7.75	4.79
Québec	**4.75–6.25**	**5.41**	4.25–6.00	4.97
Western Canada	**5.00–7.75**	**6.24**	5.50–7.50	6.23
Canadian portfolio	**4.25–8.00**	**5.33**	4.00–7.75	5.15
European portfolio	**3.20–8.50**	**4.62**	3.25–9.00	4.81
Total portfolio	**3.20–8.50**	**5.07**	3.25–9.00	5.02

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

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

The significant valuation metrics used in the discounted cash flow method as at June 30, 2022 and December 31, 2021 are set out in the table below:

	Total portfolio[1]			
	June 30, 2022		December 31, 2021	
	Range (%)	**Weighted average (%)[2]**	Range (%)	Weighted average (%)[2]
Discount rate	**3.95–9.00**	**5.94**	4.00–8.50	5.82
Terminal cap rate	**3.20–8.75**	**5.24**	3.25–8.75	5.17

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

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

The Trust believes other valuation metrics, such as implied weighted average cap rates by region, will enable users to better understand how specific operating metrics, such as in-place rents versus market rents and in-place versus in-place and committed occupancy levels in the respective regions, may impact our values. Implied weighted average cap rate is determined using the annualized six months ended June 30, 2022 net rental income by property, excluding the net rental income of properties acquired during the quarter and net rental income of sold properties. Net rental income used in calculating the implied average cap rate also excludes the impact of lease termination fees and other rental income, estimated credit loss, COVID-19 related adjustments and provisions, and amortization of lease incentives.

Investment property value per square foot by region is another valuation metric that enables users to compare the transacted value per square foot in similar markets during the period.

The following table summarizes the implied weighted average cap rate and value per square foot by region as at June 30, 2022 and December 31, 2021:

	Total portfolio[1]					
	June 30, 2022			December 31, 2021		
	Implied cap rate (%)		**Value per square foot**	Implied cap rate (%)		Value per square foot
Ontario	**3.64**	**$**	**240**	3.80	$	221
Québec	**4.40**		**185**	4.86		163
Western Canada	**6.85**		**132**	6.76		127
Canadian portfolio	**4.43**	**$**	**195**	4.71	$	176
European portfolio (value per square foot in €)	**4.44**	**€**	**105**	4.07	€	96
Total portfolio (value per square foot in $)	**4.43**	**$**	**171**	4.47	$	159

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

Acquisitions

During the three and six months ended June 30, 2022, the Trust completed $345.4 million and $461.8 million, respectively, of acquisitions (excluding transaction costs), bringing total investment properties to just over $6.4 billion.

The following acquisitions were completed during the six months ended June 30, 2022:

	Acquired GLA (thousands of sq. ft.)	Occupancy at acquisition (%)	WALT at acquisition (years)		Fair value of investment properties[1]	Date acquired
480 Tapscott Road, Toronto, Ontario	85	100.0	2.1	$	22,250	January 28, 2022
Rocky View County (land), Balzac, Alberta[2]	n/a	n/a	n/a		13,750	February 8, 2022
Portugalweg 17, Bodegraven, Netherlands[3]	128	100.0	10.0		36,048	March 16, 2022
Bijsterhuizen 3171, Wijchen, Netherlands[3]	147	100.0	9.5		26,477	March 24, 2022
4211 Mainway, Burlington, Ontario	94	100.0	4.4		17,900	March 31, 2022
Cross Roads Commercial Lands (land), Rocky View County, Alberta[2]	n/a	n/a	n/a		11,400	April 8, 2022
Poortcamp 2, De Lier, Netherlands[3]	141	100.0	2.9		30,793	April 19, 2022
Obserhausener Strasse 22, Düsseldorf, Germany[3]	56	100.0	2.8		6,170	April 20, 2022
125 Maple Grove, Cambridge, Ontario	137	100.0	8.3		31,800	April 26, 2022
60 East Beaver Creek, Richmond Hill, Ontario	86	100.0	4.8		30,000	April 28, 2022
219 Shoemaker Street, Kitchener, Ontario	29	100.0	1.0		6,250	May 17, 2022
Oude Hoorn 2, Houten, Netherlands[3]	105	100.0	5.1		19,238	May 19, 2022
Im Bresselsholze 14, Triptis, Germany[3]	189	100.0	2.5		14,693	May 20, 2022
25 Mural Street, Richmond Hill, Ontario	90	100.0	5.8		25,850	May 24, 2022
200–220 Joseph Carrier, Montréal, Québec	43	100.0	1.5		9,910	June 1, 2022
Hans-Böckler-Strasse 35, Minden, Germany[3]	472	100.0	10.0		65,335	June 1, 2022
Im Grund 3, Burgbernheim, Germany[3]	119	100.0	15.0		25,267	June 2, 2022
Logistiekweg 4, Bemmel, Netherlands[3]	106	100.0	10.0		36,401	June 9, 2022
33 Raglin Place, Cambridge, Ontario	25	100.0	4.0		5,400	June 17, 2022
1549 Yorkton Court, Burlington, Ontario	81	100.0	3.3		26,900	June 21, 2022
Total	**2,133**	**100.0**	**7.0**	**$**	**461,832**	

(1) Fair value of investment properties is as at the respective acquisition dates. Excludes transaction costs of $28,713.

(2) Rocky View County (land) and Cross Roads Commercial (land) are parcels of land totalling 50 and 19.5 acres, respectively.

(3) Acquisitions in Europe were settled in euros and translated into Canadian dollars as at the respective transaction dates.

Subsequent to June 30, 2022, the Trust completed the following acquisition:

		Fair value of investment property[1]	Date acquired
Verler Strasse 430, Gütersloh, Germany[2]	$	23,014	July 20, 2022
Total	$	23,014	

(1) Fair value of investment property is as at the acquisition date and excludes transaction costs.

(2) The acquisition in Europe was settled in euros and translated into Canadian dollars as at the transaction date.

For the year ended December 31, 2021, the Trust acquired investment properties for gross proceeds net of adjustments and before transaction costs totalling $2.4 billion.

Dispositions

On April 29, 2022, the Trust completed the contribution of two properties held for development in Canada to a newly formed Development JV between a subsidiary of the Trust and an institutional investor (the "Partner") for total cash consideration of $68.2 million and units of the Development JV representing 25% ownership, with a fair value of $30.7 million. A subsidiary of DAM is the asset manager of the Development JV, and the Trust continues paying fees on its interest in the Development JV under its current asset management agreement with DAM. A subsidiary of the Trust will provide property management, capital expenditures oversight, and leasing services to the Development JV at market rates upon completion of the properties held for development.

For the year ended December 31, 2021, the Trust disposed of investment properties located in the U.S. and Alberta totalling $641.2 million.

Building improvements

Building improvements represent investments made in our investment properties to help ensure optimal building performance, to improve the experience of our tenants, and 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. Building improvements also include expenditures for the purposes of greenfield development, redevelopment, repositioning and expansion activities.

Recoverable capital expenditures are recovered from tenants in accordance with their leases over the useful life of the building improvements. Recoverable amounts include 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 and bring properties up to the Trust’s operating standards.

Development capital expenditures are discretionary in nature and incurred to increase GLA and/or significantly improve the functionality of a property. These can include expenditures related to greenfield development, expansions, pre-development work on projects, and redevelopment projects. Development capital expenditures include pre-development costs, direct construction costs, leasing costs, tenant improvements, borrowing costs, and overhead including applicable salaries and direct costs of internal staff directly attributable to the projects. During the quarter, the Trust continued to allocate capital to its development pipeline with approximately 0.7 million square feet of projects currently underway.

Value-add capital expenditures are not recovered from tenants and include additions of solar panels and upgrades such as LED lighting retrofits as part of our ESG initiatives that are completed on certain properties and are expected to increase the Trust’s ability to attract tenants and obtain higher rental rates. In addition, value-add capital expenditures include capital allocated to refurbishing existing assets with the goal of achieving higher rent from current or prospective tenants:

- In Western Canada, the Trust is working on expanding an existing building's GLA by approximately 20%. The expansion is part of a new lease signed in Q2 2021. The Trust expects to achieve an unlevered yield on cost of approximately 7.4%.
- Additionally, the Trust has completed ten solar feasibility assessments in Alberta and began its execution of solar upgrades across seven properties for total costs of $0.8 million in the current quarter. One of the Trust’s solar installation projects at 2876 Sunridge Way, Calgary, has been substantially completed. As part of its solar panel installation program, the Trust is currently planning to add 19,000 solar panels across Canada and Europe with a total forecasted capital expenditure of approximately $10 million and a forecasted unlevered yield on cost of over 8.5%.

Asset repositioning expenditures are discretionary in nature and incurred to significantly improve the functionality of an existing property that is currently owned within the portfolio or recently acquired, with the plan to reposition and increase value through future lease-up.

The following table summarizes building improvements and development expenditures incurred for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Recoverable capital expenditures	**$ 4,183**	$ 1,393	**$ 6,507**	$ 2,409
Non-recoverable capital expenditures	**2,555**	1,173	**2,667**	1,330
Recoverable and non-recoverable capital expenditures	**6,738**	2,566	**9,174**	3,739
Development capital expenditures (income-producing properties)	**30,477**	1,053	**41,959**	1,053
Value-add capital expenditures	**4,526**	831	**10,381**	1,419
Total building improvements	**$ 41,741**	$ 4,450	**$ 61,514**	$ 6,211
Properties held for development capital expenditures[(1)(2)]	**5,178**	—	**6,083**	—
Total building improvements and properties held for development capital expenditures	**$ 46,919**	$ 4,450	**$ 67,597**	$ 6,211

(1) For the three and six months ended June 30, 2022, excludes capitalized interest of $167 and $308, respectively, which includes $18 of capitalized interest prior to the sale of two land parcels to the Development JV. For the three and six months ended June 30, 2021, excluded capitalized interest of $185.

(2) Includes $19 of development capital expenditure prior to the sale of two land parcels to the Development JV.

Building improvements and properties held for development capital expenditures for the three and six months ended June 30, 2022 increased by $42.5 million and $61.4 million, respectively, compared to the prior year comparative periods, primarily due to higher development capital expenditures on our income-producing properties and properties held for development in Canada and Europe, and higher value-add capital expenditures work across our Canadian and European portfolios.

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.

Lease incentives and initial direct leasing costs shown in the table below include costs attributable to leases that commenced in the respective periods. Due to the timing of the signing of lease agreements, certain costs, such as lease commissions, may be incurred in advance of lease commencement.

The following table summarizes leasing costs incurred for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Lease incentives and initial direct leasing costs	**$ 6,493**	$ 2,770	**$ 10,071**	$ 7,619

Lease incentives and initial direct leasing costs for the three and six months ended June 30, 2022 increased by $3.7 million and $2.5 million, respectively, compared to the prior year comparative periods, primarily due to higher construction costs on tenant inducements, and higher commissions due to higher rents.

Valuations of externally appraised investment properties

For the three and six months ended June 30, 2022, 29 investment properties were valued by qualified external valuation professionals representing 9.5% of total investment property values excluding acquired properties (for the year ended December 31, 2021 – 68 investment properties were externally appraised representing 27.7% of total investment property values, excluding acquired properties).

Fair value adjustments to investment properties

For the three months ended June 30, 2022, the Trust recorded a fair value gain of $24.7 million predominantly driven by fair value gains recorded in the Ontario and Québec regions, driven by higher market rents. The fair value gain was partially offset by a loss due to the write-off of transaction costs in the Ontario and Europe regions.

For the six months ended June 30, 2022, the Trust recorded a fair value gain of $385.4 million, mainly driven by fair value gains in the Ontario and Québec regions totalling $312.5 million. Fair value gains recorded in the Western Canada and Europe regions totalled $38.6 million. The fair value increases were primarily driven by higher market rents in the Ontario and Québec regions, and cap rate compression in the Europe region. The Trust also recorded a fair value gain on its properties held for development totalling $34.3 million sold to the Development JV.

OUR FINANCING

Debt strategy

Our debt strategy involves maintaining a conservative leverage ratio and building up a high-quality unencumbered investment properties pool, while optimizing borrowing costs, preserving liquidity and hedging our foreign currency investments. We are focused on improving our overall cost of capital and the risk profile of our business by maintaining an investment grade credit rating and diversifying our sources of debt through a combination of secured and unsecured debt. Over the past 24 months, the Trust successfully lowered its overall cost of borrowing and effectively hedged its foreign currency investments by replacing higher interest rate Canadian debt with lower interest rate euro-equivalent debt.

Debt summary

Our discussion of debt includes the CCIRS. However, pursuant to IFRS, the CCIRS are included in "Derivatives and other non-current assets" or "Derivatives and other non-current liabilities" in the condensed consolidated financial statements.

						As at
		June 30, 2022		December 31, 2021		June 30, 2021
Financing metrics						
Credit rating – DBRS		**BBB (mid)**		BBB (mid)		BBB (mid)
Net total debt-to-total assets (net of cash and cash equivalents) ratio(1)		**29.7%**		31.6%		37.9%
Net total debt-to-normalized adjusted EBITDAFV ratio (years)(1)		**7.8**		8.0		8.6
Interest coverage ratio (times)(1)		**12.7**		8.0		5.2
Weighted average face interest rate on debt (period-end)(2)		**1.01%**		0.83%		1.49%
Weighted average remaining term to maturity on debt (years)		**3.3**		3.8		4.4
Non-current debt	**$**	**1,962,861**	$	2,006,647	$	2,028,401
Total debt(3)	**$**	**2,087,364**	$	2,012,482	$	2,344,844
Unsecured debt(4)	**$**	**1,560,592**	$	1,450,801	$	1,227,585
Secured debt as a percentage of total assets(4)		**7.6%**		9.3%		19.7%
Unencumbered investment properties (period-end)(4)	**$**	**4,916,710**	$	4,154,925	$	2,322,719
Unencumbered investment properties as a percentage of investment properties(4)		**76.7%**		72.9%		49.5%
Cash and cash equivalents	**$**	**81,311**	$	164,015	$	313,249
Available liquidity (period-end)(3)	**$**	**429,062**	$	511,612	$	663,249

(1) Net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years) and interest coverage ratio (times) are non-GAAP ratios. See the "Non-GAAP Ratios" section for additional information about these non-GAAP ratios.

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

(3) Total debt and available liquidity are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information about these non-GAAP financial measures.

(4) Unsecured debt, secured debt as a percentage of total assets, unencumbered investment properties and unencumbered investment properties as a percentage of investment properties are supplementary financial measures. See the "Supplementary Financial Measures and Ratios and Other Disclosures" section for additional information about these supplementary financial measures.

Liquidity and capital resources

Dream Industrial REIT's primary sources of capital are cash generated from (utilized in) operating activities, draws on the unsecured revolving credit facility, mortgage financing and refinancing, and equity and debt issuances. Our primary uses of capital include the payment of distributions, property acquisitions, costs of attracting and retaining tenants, recurring property maintenance, major property improvements, development projects, debt principal repayments and interest payments.

Scheduled principal repayments that are due in 2022 total $4.6 million, and debt maturities that are due for the remainder of 2022 total $20.2 million. The debt maturities are typically refinanced with mortgages or debt issuances with terms between five and ten years or repaid. With our balanced debt maturity schedule, undrawn unsecured revolving credit facility of $347.8 million (net of a letter of credit totalling $2.2 million), cash and cash equivalents of $81.3 million and unencumbered investment properties pool of $4.9 billion, we have sufficient liquidity and capital resources as at June 30, 2022 to fulfill the Trust's ongoing obligations.

Financing activities

Mortgages

During the three and six months ended June 30, 2022, there were no mortgages discharged.

Debentures

On April 13, 2022, the Trust closed a private placement offering of $200 million aggregate principal amount of 3.968% senior unsecured debentures, Series E, maturing on April 13, 2026 (the "Series E Green Bonds"). Concurrent with the closing of the Series E Green Bonds, the Trust entered into CCIRS arrangements to swap the proceeds of the Series E Green Bonds to euros to lower the effective interest rate to 2.041%. The Series E Green Bonds were rated BBB with a Stable Trend by DBRS Limited.

The $450 million Series A Debentures, $200 million Series B Debentures, $400 million Series C Green Bonds and $250 million Series D Green Bonds (collectively, with the Series E Green Bonds, the "Debentures") were all rated BBB with a Stable Trend by DBRS Limited.

The Debentures issued are direct senior unsecured obligations of the Trust and are ranked equally and rateably with all other unsecured and unsubordinated indebtedness of the Trust, except to the extent prescribed by law.

$450 million Series A Debentures

The original $250 million Series A Debentures were reopened and the Trust issued an additional $200 million on June 17, 2021 at an issuance price of $999 per $1,000 principal amount (plus accrued interest from December 22, 2020), and bear interest at a rate of 1.662% per annum and mature on December 22, 2025. The Series A Debentures reopening has the same terms and conditions, and constitutes part of the same series, as the original $250 million aggregate principal amount of the Series A Debentures issued by the Trust on December 22, 2020. The $200 million Series A Debentures reopening has the same Committee on Uniform Securities Identification Procedures ("CUSIP") number as the original $250 million Series A Debentures issued on December 22, 2020. Interest is payable on the Series A Debentures on June 22 and December 22 of each year. Total financing costs related to the $450 million Series A Debentures (original and reopening) totalled $2.5 million.

$200 million Series B Debentures

The $200 million Series B Debentures were issued at a price equal to $1,000 per $1,000 principal amount, bear interest at a rate per annum equal to the Reference Rate Index for Canadian dollar bankers' acceptances with maturities of three months (three-month CDOR) plus 0.35%, and will mature on June 17, 2024. Interest is payable on the $200 million Series B Debentures, and the Reference Rate Index will be adjusted on March 17, June 17, September 17 and December 17 of each year. The $200 million Series B Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. Total financing costs related to the $200 million Series B Debentures offering totalled $0.8 million.

$400 million Series C Debentures (Series C Green Bonds)

The $400 million Series C Debentures were issued at a price equal to $1,000 per $1,000 principal amount, bear interest at a rate of 2.057% per annum and will mature on June 17, 2027. Interest is payable on the $400 million Series C Debentures on June 17 and December 17 of each year. The $400 million Series C Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. Total financing costs related to the $400 million Series C Debentures offering totalled $1.7 million.

<u>$250 million Series D Debentures (Series D Green Bonds)</u>

The $250 million Series D Debentures were issued at a price equal to $1,000 per $1,000 principal amount, bear interest at a rate of 2.539% per annum and will mature on December 7, 2026. Interest is payable on the $250 million Series D Debentures on June 7 and December 7 of each year. The $250 million Series D Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. Total financing costs related to the $250 million Series D Debentures offering totalled $1.5 million.

<u>$200 million Series E Debentures (Series E Green Bonds)</u>

The $200 million Series E Debentures were issued at a price equal to $1,000 per $1,000 principal amount, bear interest at a rate of 3.968% per annum and will mature on April 13, 2026. Interest is payable on the $200 million Series E Debentures on April 13 and October 13 of each year. The $200 million Series E Debentures are redeemable at the option of the Trust in whole or in part at any time and from time to time prior to maturity in accordance with the terms and conditions of the agreement. Total financing costs related to the $200 million Series E Debentures offering totalled $1.2 million.

U.S. term loan (US$150 million)

On October 30, 2020, the Trust obtained a US$150 million unsecured credit facility (the “U.S. Unsecured Facility”). The U.S. Unsecured Facility allowed for a single drawdown prior to November 30, 2020. On November 17, 2020, the Trust drew down on the U.S. Unsecured Facility by entering into a US$150 million, three-year unsecured term loan (the “U.S. term loan”) bearing interest at the U.S. London Interbank Offered Rate (“LIBOR”) plus 1.40% per annum with a maturity date of January 31, 2024. Concurrently on the same day, the Trust entered into a CCIRS agreement with the same lender to exchange the US$150 million gross proceeds from the U.S. term loan into euros.

Unsecured revolving credit facility

The $350 million unsecured revolving credit facility with an accordion option limit of $150 million in additional borrowing capacity bears interest at Canadian bankers’ acceptance rates (“BA rates”) plus 1.45% or Canadian prime rate plus 0.45% on Canadian dollar draws, the U.S. LIBOR plus 1.45% or U.S. base rate plus 0.45% on U.S. dollar draws, or euro LIBOR plus 1.45% on euro draws. The unsecured revolving credit facility expires on May 14, 2024.

As at June 30, 2022, there were no amounts drawn on the unsecured revolving credit facility other than a letter of credit totalling $2.2 million, bringing the availability to $347.8 million. As at December 31, 2021, there were no amounts drawn on the unsecured revolving credit facility other than a letter of credit totalling $2.4 million, bringing the availability to $347.6 million.

Cross-currency interest rate swap arrangements

The Trust lowers its overall cost of borrowings and hedges its euro currency exposure through entering CCIRS arrangements by replacing higher interest rate Canadian debt with lower interest rate euro-equivalent debt.

The following table summarizes the Trust's CCIRS arrangements outstanding as at June 30, 2022 and December 31, 2021:

	Euro notional amount	U.S./Canadian dollar notional amount	Maturity date	Financial instrument measurement	**June 30, 2022** Fair value assets (liabilities)	December 31, 2021 Fair value assets (liabilities)
Canadian dollar to euro cross-currency interest rate swap – Series A Debentures[1]	€ 161,499	$ 250,000	December 22, 2025	Fair value through other comprehensive income	**$ 24,384**	$ 12,070
Canadian dollar to euro cross-currency interest rate swap – Reopening Series A Debentures[2]	135,474	200,000	December 22, 2025	Fair value through other comprehensive income	**12,425**	1,931
Canadian dollar to euro cross-currency interest rate swap – Series B Debentures[3]	135,750	200,000	June 17, 2024	Fair value through other comprehensive income	**15,857**	4,573
Canadian dollar to euro cross-currency interest rate swap – Series C Debentures[4]	271,499	400,000	June 17, 2027	Fair value through other comprehensive income	**26,472**	4,711
Canadian dollar to euro cross-currency interest rate swap – Series D Debentures[5]	174,544	250,000	December 7, 2026	Fair value through other comprehensive income	**15,234**	1,672
Canadian dollar to euro cross-currency interest rate swap – Series E Debentures[6]	143,926	200,000	April 13, 2026	Fair value through other comprehensive income	**5,771**	—
U.S. dollar to euro cross-currency interest rate swap – U.S. term loan[7][8]	127,108	150,000	January 31, 2024	Fair value through other comprehensive income	**25,547**	7,557
Total	€ 1,149,800				**$ 125,690**	$ 32,514

(1) The interest rate associated with the euro notional amount is 0.489%. The interest rate associated with the Canadian dollar notional amount is 1.662%.

(2) The interest rate associated with the euro notional amount is 0.294%. The interest rate associated with the Canadian dollar notional amount is 1.662%.

(3) The interest rate associated with the euro notional amount is three-month EURIBOR plus 0.5608%. The interest rate associated with the Canadian dollar notional amount is three-month CDOR plus 0.35%.

(4) The interest rate associated with the euro notional amount is 0.547%. The interest rate associated with the Canadian dollar notional amount is 2.057%.

(5) The interest rate associated with the euro notional amount is 0.541%. The interest rate associated with the Canadian dollar notional amount is 2.539%.

(6) The interest rate associated with the euro notional amount is 2.041%. The interest rate associated with the Canadian dollar notional amount is 3.968%.

(7) The interest rate associated with the euro notional amount is 0.857%. The interest rate associated with the U.S. dollar notional amount is a variable rate using LIBOR plus spread.

(8) This swap arrangement is bifurcated into a cash flow and net investment hedge for the purpose of hedge accounting. As at June 30, 2022, the fair value asset of the net investment hedge portion is $25,727 and the fair value liability of the cash flow hedge portion is $(180). As at December 31, 2021, the fair value asset of the net investment hedge portion was $13,982 and the fair value liability of the cash flow hedge portion was $(6,425).

Interest rates and cross-currency interest rate swaps

The table below summarizes the effects of the weighted average face interest rate (including and excluding CCIRS) by type of debt as at June 30, 2022 and December 31, 2021.

				As at
	June 30, 2022		December 31, 2021	
	Weighted average face interest rate (including CCIRS)	**Weighted average face interest rate (excluding CCIRS)**	Weighted average face interest rate (including CCIRS)	Weighted average face interest rate (excluding CCIRS)
Mortgages	**1.82%**	**1.82%**	1.75%	1.75%
Unsecured term loan	**0.86%**	**2.46%**	0.86%	1.49%
Unsecured debentures	**0.73%**	**2.37%**	0.41%	1.83%
Total	**1.01%**	**2.25%**	0.83%	1.78%

Debt maturity profile

Our current total debt profile is balanced with maturities that are well distributed over the next seven years. The Trust manages its maturity schedule by limiting maturity exposure in any given year and mitigating interest rate risk. When rates are favourable, the Trust fixes interest rates and extends loan terms.

The following is our total debt maturity profile as at June 30, 2022:

	Debt balance due at maturity	Scheduled principal repayments on debt maturing in future periods	Amount	Weighted average face interest rate
Remainder of 2022	$ 20,201	$ 4,561	$ 24,762	1.08%
2023	252,619	5,977	258,596	1.36%
2024(1)	452,471	3,242	455,713	0.97%
2025(2)	467,093	2,696	469,789	0.53%
2026(3)	428,995	2,794	431,789	1.21%
2027–2030(4)	442,646	7,760	450,406	1.10%
Total	$ 2,064,025	$ 27,030	$ 2,091,055	1.01%
Unamortized financing costs			(6,944)	
Unamortized fair value adjustments			3,253	
Total debt(5)			$ 2,087,364	
Fair value of CCIRS(6)			125,690	
Less: Current debt			(250,193)	
Non-current debt (per consolidated financial statements)			$ 1,962,861	

(1) The debt balance due 2024 includes a term loan of $192,825, less a $25,547 CCIRS net asset, and debentures of $200,000, less a $15,857 CCIRS asset.

(2) The debt balance due 2025 includes debentures of $450,000, less a $36,809 CCIRS asset.

(3) The debt balance due 2026 includes debentures of $450,000, less a $21,005 CCIRS asset.

(4) The debt balance due 2027–2030 includes debentures of $400,000, less a $26,472 CCIRS asset.

(5) Total debt is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information about this non-GAAP financial measure.

(6) As at June 30, 2022, the CCIRS were in a net asset position and $125,870 was included in "Derivatives and other non-current assets" and $180 in "Derivatives and other non-current liabilities" in the condensed consolidated financial statements.

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.

As at June 30, 2022, the Trust's remaining contractual commitments related to construction and development projects amounted to $41.1 million (December 31, 2021 – $17.5 million).

On January 6, 2022 and April 1, 2022, the Trust funded capital contributions to the U.S. Fund totalling US$21.9 million and US$48.4 million, respectively, reducing the contractual commitment of capital contributions to US$9.7 million as at June 30, 2022.

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
		June 30, 2022		December 31, 2021		June 30, 2021
	Number of Units	**Amount**	Number of Units	Amount	Number of Units	Amount
REIT Units and unitholders' equity	**255,000,182**	**$ 3,088,274**	233,864,845	$ 2,756,156	209,815,015	$ 2,372,164
Retained earnings	**—**	**1,273,573**	—	746,848		472,165
Accumulated other comprehensive loss	**—**	**(32,896)**	—	(3,581)	—	(2,594)
Total equity per condensed consolidated financial statements	**255,000,182**	**4,328,951**	233,864,845	3,499,423	209,815,015	2,841,735
Add: LP B Units	**18,551,855**	**224,106**	18,551,855	319,463	18,551,855	283,472
Total equity (including LP B Units)[1]	**273,552,037**	**$ 4,553,057**	252,416,700	$ 3,818,886	228,366,870	$ 3,125,207
NAV per Unit[2]		**$ 16.64**		$ 15.13		$ 13.69

(1) Total equity (including LP B Units) is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information about this non-GAAP financial measure.

(2) NAV per Unit is a non-GAAP ratio. See the "Non-GAAP Ratios" section for additional information about this non-GAAP ratio.

Total equity per condensed consolidated financial statements as at June 30, 2022 was $4.3 billion, a 23.7% increase when compared to $3.5 billion as at December 31, 2021. The increase was primarily due to the public offering of REIT Units (+ $320.1 million) and net income earned during the quarter (+$614.4 million).

NAV per Unit as at June 30, 2022 increased to $16.64 from $15.13 at December 31, 2021, largely reflecting an increase in investment property values in the Canadian and European portfolios (+$385.4 million), as private market demand for industrial assets remains robust.

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 the LP B 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 table below summarizes Dream Office REIT's ownership of the Trust as at June 30, 2022 and December 31, 2021:

	As at	
	June 30, 2022	December 31, 2021
Number of REIT Units held by Dream Office REIT	**8,052,451**	8,052,451
Number of LP B Units held by Dream Office REIT	**18,551,855**	18,551,855
Total number of Units held by Dream Office REIT	**26,604,306**	26,604,306
Dream Office REIT's percentage ownership of the Trust	**9.7%**	10.5%

Continuity of equity

The following table summarizes the changes in our outstanding equity:

	REIT Units	LP B Units	Total Units
Total Units outstanding as at January 1, 2022	233,864,845	18,551,855	252,416,700
REIT Units issued pursuant to public offerings	19,588,300	—	19,588,300
REIT Units issued pursuant to Distribution Reinvestment and Unit Purchase Plan ("DRIP")	1,439,189	—	1,439,189
REIT Units issued pursuant to Deferred Unit Incentive Plan ("DUIP") and Unit Purchase Plan	107,848	—	107,848
Total Units outstanding as at June 30, 2022	255,000,182	18,551,855	273,552,037
Percentage of all Units	93.2%	6.8%	100.0%
REIT Units issued pursuant to DRIP	230,788	—	230,788
Units issued pursuant to DUIP and Unit Purchase Plan	5,103	—	5,103
Total Units outstanding as at August 2, 2022	255,236,073	18,551,855	273,787,928
Percentage of all Units	93.2%	6.8%	100.0%

Public offerings of REIT Units

The following table summarizes the public offering of REIT Units issued during the six months ended June 30, 2022. Total costs related to the offering were charged directly to unitholders' equity:

Date of public offering	Number of REIT Units	Unit price	Gross proceeds	Issue costs
March 9, 2022(1)	14,110,500	$ 16.30	$ 230,001	$ 9,850

(1) Includes 1,840,500 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

At-the-market equity program ("ATM Program")

On November 30, 2021, the Trust filed a prospectus supplement which qualified the Trust to issue REIT Units up to an aggregate sale price of $250 million to the public from time to time at prevailing market prices, directly on the TSX or on other permitted marketplaces to the extent permitted.

During the six months ended June 30, 2022, the Trust issued 5,477,800 REIT Units under this ATM Program at a weighted average price of $16.46 per REIT Unit for gross proceeds of $90.1 million. Total costs related to the issuance of these REIT Units amounted to $1.4 million and were charged directly to unitholders' equity. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $88.7 million.

Since the beginning of this ATM Program, the Trust has issued 7,300,000 REIT Units under the ATM Program at a weighted average price of $16.49 per REIT Unit for gross proceeds of $120.4 million. Total costs related to the issuance of these REIT Units amounted to $1.8 million. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $118.6 million.

Short form base shelf prospectus

On November 26, 2021, the Trust filed and obtained a receipt for a final short form base shelf prospectus dated November 26, 2021 that 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, or any combination thereof, having an aggregate offering price of up to $2.5 billion.

Since the filing of this base shelf prospectus dated November 26, 2021, the Trust has issued REIT Units under this base shelf prospectus totalling $350.4 million.

Distribution Reinvestment and Unit Purchase Plan

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.

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 tables summarize the total distributions paid and payable on REIT Units for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,	
	2022	2021
Paid in cash	**$ (34,262)**	$ (24,539)
Paid by way of reinvestment in REIT Units	**(10,565)**	(7,799)
Less: Payable at March 31, 2022/March 31, 2021	**14,826**	10,116
Add: Payable at June 30, 2022/June 30, 2021	**(14,874)**	(12,239)
Total distributions paid and payable on REIT Units	**$ (44,875)**	$ (34,461)

	Six months ended June 30,	
	2022	2021
Paid in cash	**$ (64,915)**	$ (48,388)
Paid by way of reinvestment in REIT Units	**(21,496)**	(13,203)
Less: Payable at December 31, 2021/December 31, 2020	**13,641**	8,905
Add: Payable at June 30, 2022/June 30, 2021	**(14,874)**	(12,239)
Total distributions paid and payable on REIT Units	**$ (87,644)**	$ (64,925)

The following tables summarize the total distributions (a non-GAAP financial measure) and DRIP participation rate (a non-GAAP ratio) for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30, 2022		Three months ended June 30, 2021	
	Amount	**% of total**	Amount	% of total
Distributions reinvested less 3% bonus distribution(1) (DRIP participation rate in %)(2)	**$ 10,112**	**21.1%**	$ 8,281	22.1%
Distributions paid in cash(1)	**37,702**	**78.9%**	29,202	77.9%
Total distributions excluding 3% bonus distribution	**47,814**	**100.0%**	37,483	100.0%
3% bonus distribution	**308**		227	
Total distributions(1)	**$ 48,122**		$ 37,710	

(1) Distributions reinvested less 3% bonus distribution, distributions paid in cash, and total distributions are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information.

(2) DRIP participation rate in % is a non-GAAP ratio calculated as distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) divided by the sum of distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure). See the "Non-GAAP Ratios" section for additional information.

		Six months ended June 30, 2022			Six months ended June 30, 2021	
		Amount	% of total		Amount	% of total
Distributions reinvested less 3% bonus distribution[1] (DRIP participation rate in %)[2]	**$**	**20,434**	**21.9%**	$	15,099	21.3%
Distributions paid in cash[1]		**73,077**	**78.1%**		55,935	78.7%
Total distributions excluding 3% bonus distribution		**93,511**	**100.0%**		71,034	100.0%
3% bonus distribution		**626**			384	
Total distributions[1]	**$**	**94,137**		$	71,418	

(1) Distributions reinvested less 3% bonus distribution, distributions paid in cash, and total distributions are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information.

(2) DRIP participation rate in % is a non-GAAP ratio calculated as distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) divided by the sum of distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure). See the "Non-GAAP Ratios" section for additional information.

Cash flows from operating activities less interest and other financing costs paid on debt and total distributions (a non-GAAP financial measure)

In any given period, actual cash flows generated from (utilized in) operating activities less interest and other financing costs paid on debt may differ from total distributions (a non-GAAP financial 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 demand revolving credit facility. As a result of these factors, the Trust anticipates that future cash flows generated from (utilized in) operating activities less interest and other financing costs paid on debt may be less than total distributions (a non-GAAP financial 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 less interest and other financing costs paid on debt may be less than the total distributions (a non-GAAP financial measure), the Trust will fund the shortfalls with cash and cash equivalents on hand and with the amounts available on the unsecured revolving credit facility. The use of the unsecured 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 unsecured revolving credit facility, and the risk associated with increasing the overall indebtedness of the Trust. See the "Unsecured revolving credit facility" section in Note 9 of the condensed consolidated financial statements for a description of the terms and interest payable under the revolving credit facility. In the event that shortfalls exist, the Trust does not anticipate that 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 less interest and other financing costs paid on debt. 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 will continue to vary from total distributions (a non-GAAP financial measure), as net income includes non-cash items such as fair value adjustments to investment properties and financial instruments. Accordingly, the Trust does not use net income as a proxy for determining distributions.

The following table summarizes cash flows generated from operating activities, interest and other financing costs paid on debt, net income, total REIT Units distributions paid and payable, and total distributions (a non-GAAP financial measure) for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Cash generated from operating activities	$ **61,786**	$ 42,463	$ **96,944**	$ 81,955
Interest and other financing costs paid on debt	**(6,336)**	(6,144)	**(8,567)**	(14,010)
Net income	**171,480**	160,295	**614,369**	255,559
Total REIT Unit distributions paid and payable	**(44,875)**	(34,461)	**(87,644)**	(64,925)
Total distributions[1]	**(48,122)**	(37,710)	**(94,137)**	(71,418)

(1) Total distributions is a non-GAAP financial measure. See "Non-GAAP Financial Measures" under the heading "Total distributions" for additional information.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table outlines the differences between net income and total distributions (a non-GAAP financial measure), as well as the differences between cash generated from (utilized in) operating activities less interest and other financing costs paid on debt, and total distributions (a non-GAAP financial measure), in accordance with the guidelines:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Excess of net income over total distributions[1][2]	$ **123,358**	$ 122,585	$ **520,232**	$ 184,141
Excess (shortfall) of cash generated from operating activities less interest and other financing costs paid on debt over total distributions[2][3]	**7,328**	(1,391)	**(5,760)**	(3,473)

(1) Excess of net income over total distributions is calculated as net income less total distributions (a non-GAAP financial measure).

(2) Total distributions is a non-GAAP financial measure. See "Non-GAAP Financial Measures" under the heading "Total distributions" for additional information.

(3) Shortfall of cash generated from operating activities less interest and other financing costs paid on debt over total distributions is calculated as cash generated from operating activities less interest and other financing costs paid on debt less total distributions (a non-GAAP financial measure).

For the three and six months ended June 30, 2022, net income exceeded total distributions (a non-GAAP financial measure) by $123.4 million and $520.2 million, respectively, primarily as a result of non-cash items such as share of net income from equity accounted investments, fair value adjustments to investment properties and fair value adjustments to financial instruments, which are included in net income. For the three and six months ended June 30, 2021, total distributions (a non-GAAP financial measure) exceeded net income by $122.6 million and $184.1 million, respectively, primarily due to the same reasons discussed above for the periods ended June 30, 2022.

For the three months ended June 30, 2022, cash flows generated from operating activities less interest and other financing costs paid on debt exceeded total distributions (a non-GAAP financial measure) by $7.3 million. For the six months ended June 30, 2022, total distributions (a non-GAAP financial measure) exceeded cash flows generated from operating activities less interest and other financing costs paid on debt by $5.8 million due to timing differences between the realization of working capital and investment in lease incentives and initial direct leasing costs. For the three and six months ended June 30, 2021, total distributions (a non-GAAP financial measure) exceeded cash flows generated from operating activities less interest and other financing costs paid on debt by $1.4 million and $3.5 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 equity offerings.

Of the total distributions (a non-GAAP financial measure) declared for the three and six months ended June 30, 2022, $10.4 million and $21.1 million, respectively, were reinvested through the DRIP (including 3% bonus distributions). Of the total distributions (a non-GAAP financial measure) declared for the three and six months ended June 30, 2021, $8.5 million and $15.5 million, respectively, were reinvested through 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. Furthermore, the Board of Trustees has discretion to suspend the DRIP and Unit Purchase Plan at any time to preserve capital if it is determined to be in the best interest of the Trust to do so.

SECTION IV

FOREIGN CURRENCY INFORMATION

Foreign currency translation rates

In accordance with the Trust's accounting policies, the foreign exchange rates used by the Trust to convert foreign denominated currencies for the three months ended June 30, 2022, March 31, 2022, December 31, 2021 and June 30, 2021 are summarized in the table below:

				Three months ended
	June 30, 2022	March 31, 2022	December 31, 2021	June 30, 2021
CAD per US$1.00 (average during period)(1)	**$ 1.2768**	$ 1.2662	$ 1.2603	$ 1.2282
CAD per US$1.00 (period-end)(1)	**1.2886**	1.2496	1.2678	1.2394
CAD per €1.00 (average during period)(1)	**1.3588**	1.4201	1.4408	1.4803
CAD per €1.00 (period-end)(1)	**1.3467**	1.3853	1.4391	1.4699

(1) Average exchange rates impact comprehensive income and cash flows. Period-end exchange rates impact monetary items and items recorded at fair value.

QUARTERLY INFORMATION

The following tables show quarterly information since July 1, 2020:

Key portfolio, leasing, financing and capital information

	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Portfolio								
Number of assets(1)(2)	**257**	244	239	221	215	186	177	172
GLA (in millions of sq. ft.)(3)	**46.0**	44.4	43.0	39.8	38.5	28.8	27.3	26.6
Leasing								
Occupancy rate – in-place and committed (period-end)(3)	**99.1%**	98.7%	98.2%	98.0%	98.0%	97.2%	95.6%	95.1%
Occupancy rate – in-place (period-end)(3)	**98.6%**	97.6%	97.7%	97.6%	97.4%	95.7%	94.7%	94.1%
Tenant retention ratio	**59.2%**	85.6%	87.8%	66.8%	78.3%	58.0%	86.8%	62.3%
Average in-place and committed base rent per sq. ft. (period-end)(4)								
Canadian portfolio	**$ 8.11**	$ 7.95	$ 7.87	$ 7.78	$ 7.67	$ 7.60	$ 7.48	$ 7.43
European portfolio (€)	**€ 4.99**	€ 4.80	€ 4.72	€ 4.55	€ 4.51	€ 5.20	€ 5.11	€ 4.89
Financing(5)								
Net total debt-to-total assets (net of cash and cash equivalents) ratio(6)	**29.7%**	26.2%	31.6%	32.9%	37.9%	28.7%	31.3%	29.6%
Net total debt-to-normalized adjusted EBITDAFV (years)(6)	**7.8**	6.9	8.0	7.8	8.6	6.0	6.2	5.8
Interest coverage ratio (times)(6)	**12.7**	10.4	8.0	6.3	5.2	4.8	4.4	4.2
Weighted average face interest rate on debt (period-end)(7)	**1.01%**	0.85%	0.83%	0.86%	1.49%	2.44%	2.57%	3.43%
Weighted average remaining term to maturity on debt (years)	**3.3**	3.5	3.8	3.9	4.4	5.1	4.8	5.1
Unencumbered investment properties (in millions)(8)	**$ 4,916.7**	$ 4,494.4	$ 4,154.9	$ 3,404.2	$ 2,322.7	$ 2,051.0	$ 1,441.6	$ 1,283.4
Cash and cash equivalents	**$ 81.3**	$ 290.1	$ 164.0	$ 87.3	$ 313.2	$ 80.8	$ 254.9	$ 20.8
Available liquidity(9)	**$ 429.1**	$ 637.8	$ 511.6	$ 434.8	$ 663.2	$ 395.2	$ 573.2	$ 271.6
Capital								
Total number of Units (in millions)(10)	**273.6**	272.7	252.4	230.8	228.4	192.0	171.2	171.2
NAV per Unit(6)	**$ 16.64**	$ 16.48	$ 15.13	$ 14.37	$ 13.69	$ 12.82	$ 12.55	$ 12.10
Unit price	**$ 12.08**	$ 16.14	$ 17.22	$ 16.20	$ 15.28	$ 13.42	$ 13.15	$ 11.31

(1) Number of assets comprises a building, or a cluster of buildings in close proximity to one another attracting similar tenants.

(2) Includes the Trust's owned and managed properties as at the end of each period as applicable.

(3) Includes our share of equity accounted investment as at the end of each period as applicable.

(4) Excludes the Trust's share of equity accounted investment as at the end of each period as applicable.

(5) Financing metrics include CCIRS, assets and liabilities classified as held for sale at the end of each period as applicable.

(6) Net total debt-to-total assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years), interest coverage ratio (times) and NAV per Unit are non-GAAP ratios. See the "Non-GAAP Ratios" section for additional information about these non-GAAP ratios.

(7) Weighted average face interest rate on debt is calculated as the weighted average face interest rate of all interest bearing debt, including the impact of CCIRS at the end of each period as applicable.

(8) Unencumbered investment properties is a supplementary financial measure. See the "Supplementary Financial Measures and Ratios and Other Disclosures" section for a description of this supplementary financial measure.

(9) Available liquidity is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information about this non-GAAP financial measure.

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

Results of operations

	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Investment properties revenue	**$ 89,959**	$ 87,428	$ 79,285	$ 75,832	$ 69,267	$ 65,431	$ 61,323	$ 59,013
Investment properties operating expenses	**(21,230)**	(22,115)	(18,853)	(16,122)	(18,172)	(18,769)	(16,811)	(16,761)
Net rental income	**68,729**	65,313	60,432	59,710	51,095	46,662	44,512	42,252
Other income (loss)	**23,194**	18,503	26,116	14,824	199	234	(22)	(17)
Other expenses	**(15,577)**	(14,272)	(13,580)	(43,614)	(15,897)	(18,801)	(16,256)	(15,727)
Fair value adjustments and net gain on transactions and other activities	**104,018**	387,252	126,602	142,393	131,109	71,118	55,058	52,723
Income before income taxes	**180,364**	456,796	199,570	173,313	166,506	99,213	83,292	79,231
Current income tax recovery (expense)	**(811)**	(477)	(367)	(17,757)	—	—	2	(6)
Deferred income tax recovery (expense)	**(8,073)**	(13,430)	(9,232)	7,259	(6,211)	(3,949)	(1,781)	(5,563)
Net income	**$ 171,480**	$ 442,889	$ 189,971	$ 162,815	$ 160,295	$ 95,264	$ 81,513	$ 73,662
Other comprehensive income (loss)								
Unrealized gain (loss) on foreign currency translation of foreign operations, net of taxes	**(53,493)**	(70,824)	(43,374)	11,719	(3,807)	(29,935)	(6,753)	1,160
Unrealized gain (loss) on hedging instruments, net of taxes	**41,683**	48,373	35,234	(6,285)	(4,732)	18,591	(4,054)	—
Share of other comprehensive income (loss) from equity accounted investment	**7,714**	(2,768)	(487)	2,206	(223)	(109)	(427)	(194)
	(4,096)	(25,219)	(8,627)	7,640	(8,762)	(11,453)	(11,234)	966
Comprehensive income	**$ 167,384**	$ 417,670	$ 181,344	$ 170,455	$ 151,533	$ 83,811	$ 70,279	$ 74,628

Our results of operations may vary significantly from period to period as a result of fair value adjustments to investment properties, fair value adjustments to financial instruments, and net gains or losses on transactions and other activities. Operating activities from our European portfolios, income from our equity accounted investment and fair value adjustments to investment properties may impact the deferred income taxes in any given period. Furthermore, the growth in our net rental income from period to period reflects our strategy to grow and upgrade the quality of our portfolio by investing in the Trust's target markets.

Funds from operations ("FFO")

	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net income	**$ 171,480**	$ 442,889	$ 189,971	$ 162,815	$ 160,295	$ 95,264	$ 81,513	$ 73,662
Add (deduct):								
Fair value adjustments to investment properties	**(24,699)**	(360,696)	(141,841)	(162,452)	(207,117)	(74,601)	(91,855)	(66,314)
Fair value adjustments to financial instruments	**(84,242)**	(27,661)	18,818	16,060	74,971	1,874	36,489	11,428
Share of net income from equity accounted investments	**(23,031)**	(18,394)	(26,239)	(13,031)	—	—	—	—
Interest expense on subsidiary redeemable units	**3,247**	3,246	3,247	3,246	3,247	3,246	3,247	3,246
Amortization and write-off of lease incentives	**488**	628	498	337	469	503	436	457
Internal leasing costs	**1,073**	1,091	1,022	861	902	898	772	796
Fair value adjustments to deferred trust units included in G&A	**(18)**	101	155	143	49	10	21	(41)
Foreign exchange (gain) loss	**3,404**	10	(4,001)	1,071	131	706	(469)	1,362
Share of FFO from equity accounted investments	**2,579**	1,994	1,502	1,564	—	—	—	—
Deferred income taxes expense (recovery)	**8,073**	13,430	9,232	(7,259)	6,211	3,949	1,781	5,563
Current income taxes expense related to dispositions	**126**	—	273	16,589	—	—	—	—
Transaction costs on sale of investment properties	**445**	—	303	2,063	—	—	—	—
Derecognition of equity accounted investment	**—**	—	(907)	—	—	—	—	—
FFO[1] before the undernoted adjustment	**$ 58,925**	$ 56,638	$ 52,033	$ 22,007	$ 39,158	$ 31,849	$ 31,935	$ 30,159
Debt settlement costs	**—**	—	—	28,510	—	3,059	—	—
FFO[1]	**$ 58,925**	$ 56,638	$ 52,033	$ 50,517	$ 39,158	$ 34,908	$ 31,935	$ 30,159
Weighted average number of diluted Units (in thousands)[2]	**273,668**	259,320	246,456	229,472	204,866	185,808	171,670	171,625
FFO per Unit – diluted[1][3]	**$ 0.22**	$ 0.22	$ 0.21	$ 0.22	$ 0.19	$ 0.19	$ 0.19	$ 0.18

(1) FFO is a non-GAAP financial measure and diluted FFO per Unit is a non-GAAP ratio. See the "Non-GAAP Financial Measures" and "Non-GAAP Ratios" sections for additional information about these respective metrics.

(2) A description of the determination of weighted average number of diluted units can be found in the "Supplementary Financial Measures and Ratios and Other Disclosures" section under the heading "Weighted average number of Units".

(3) The LP B Units are included in the calculation of FFO per Unit – diluted (a non-GAAP ratio).

NON-GAAP FINANCIAL MEASURES

The following non-GAAP financial measures are important measures used by management in evaluating the Trust's underlying operating performance and debt management. These non-GAAP financial measures are not defined by IFRS and do not have standard meanings. The Trust's method of calculating non-GAAP financial measures may differ from other issuers' methods and, accordingly, may not be comparable with similar measures presented by other issuers.

Funds from operations ("FFO")

Management believes FFO, a non-GAAP financial measure, provides our investors additional relevant information on our operating performance. Fair value adjustments to investment properties and financial instruments, gains or losses on disposal of investment properties, debt settlement costs arising from capital management activities and disposals of investment properties, and other non-cash items do not necessarily provide an accurate picture of the Trust's past or recurring operating performance. FFO is used by management in evaluating the Trust's operating performance. FFO is a commonly used measure of performance of real estate operations; however, it does not represent net income or cash flows generated from (utilized in) operating activities, as defined by IFRS, is not necessarily indicative of cash available to fund the Trust's needs and may not be comparable with similar measures presented by other issuers.

In January 2022, REALPAC issued an updated guidance on "Funds from Operations" and "Adjusted Funds from Operations" for IFRS. The Trust has reviewed the REALPAC FFO guidelines and our determination of FFO substantially aligns with the REALPAC FFO guidelines, with the exception of the add-back of debt settlement costs arising from capital management activities and disposals of investment properties. These debt settlement costs are primarily funded from either net proceeds from equity offerings or net proceeds from dispositions, and not from cash flows from operating activities. As a result, the Trust is of the view that debt settlement costs incurred as a result of capital management or investing activities should be excluded from the determination of FFO. Debt settlement costs incurred as a result of operating activities are included in the determination of FFO.

FFO is reconciled to net income (the most directly comparable financial measure) in the table below for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Net income for the period	**$ 171,480**	$ 160,295	**$ 614,369**	$ 255,559
Add (deduct):				
Fair value adjustments to investment properties	**(24,699)**	(207,117)	**(385,395)**	(281,718)
Fair value adjustments to financial instruments	**(84,242)**	74,971	**(111,903)**	76,845
Share of net income from equity accounted investments	**(23,031)**	—	**(41,425)**	—
Interest expense on subsidiary redeemable units	**3,247**	3,247	**6,493**	6,493
Amortization and write-off of lease incentives	**488**	469	**1,116**	972
Internal leasing costs	**1,073**	902	**2,164**	1,800
Fair value adjustments to deferred trust units included in G&A	**(18)**	49	**83**	59
Foreign exchange loss	**3,404**	131	**3,414**	837
Share of FFO from equity accounted investments	**2,579**	—	**4,573**	—
Deferred income taxes expense	**8,073**	6,211	**21,503**	10,160
Current income taxes expense related to dispositions	**126**	—	**126**	—
Transaction costs on sale of investment properties	**445**	—	**445**	—
FFO for the period before the undernoted adjustment	**$ 58,925**	$ 39,158	**$ 115,563**	$ 71,007
Debt settlement costs	**—**	—	**—**	3,059
FFO for the period	**$ 58,925**	$ 39,158	**$ 115,563**	$ 74,066

Comparative properties net operating income ("CP NOI") (constant currency basis)

CP NOI (constant currency basis) is a non-GAAP financial measure used by management in evaluating the operating performance of properties owned by the Trust in the current and comparative periods on a constant currency basis. CP NOI (constant currency basis) enables investors to evaluate our operating performance, especially to assess the effectiveness of our management of properties generating NOI growth from existing properties in the respective regions. It is calculated by taking CP NOI as defined below and excluding the impact of foreign currency translation by converting the CP NOI denominated in foreign currency in the respective periods at the respective current period average exchange rates.

When the Trust compares CP NOI on a year-over-year basis for the three months ended June 30, 2022 and June 30, 2021, the Trust excludes investment properties acquired on or after April 1, 2021. For the six months ended June 30, 2022 and June 30, 2021, the Trust excludes investment properties acquired on or after January 1, 2021. CP NOI (constant currency basis) also excludes NOI from sold properties and properties held for sale, as applicable, net property management and other income, straight-line rent, amortization of lease incentives, expected credit loss, lease termination fees and other rental income, and COVID-19 related adjustments and provisions. CP NOI (constant currency basis) includes NOI from equity accounted investment.

CP NOI (constant currency basis) is lower during periods of free rent to reflect that there is no cash rent received. For accounting purposes, free rent is recorded and amortized within straight-line rent.

CP NOI (constant currency basis) is reconciled to net rental income (the most directly comparable IFRS financial measure) under the heading "Section II – Our Operations – Comparative properties NOI (constant currency basis)".

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

One of the components used to determine the Trust's NAV per Unit (a non-GAAP ratio) is total equity (including LP B Units) – a non-GAAP financial measure. Total equity (including LP B Units) is calculated as the sum of equity per the 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 issuers.

The table within the "Our Equity" section under the heading "Total equity" reconciles total equity (including LP B Units) to total equity (the most directly comparable IFRS financial measure).

Total distributions

Total distributions is a non-GAAP financial measure 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 issuers.

The table below reconciles total distributions to distributions on REIT Units (the most directly comparable IFRS financial measure) for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
Amounts included in condensed consolidated financial statements	**2022**	2021	**2022**	2021
Distributions on REIT Units	**$ 44,875**	$ 34,462	**$ 87,644**	$ 64,925
Interest on subsidiary redeemable units	**3,247**	3,247	**6,493**	6,493
Total distributions	**$ 48,122**	$ 37,709	**$ 94,137**	$ 71,418

Distributions reinvested less 3% bonus distribution and distributions paid in cash

Distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure) are components used in the calculation of DRIP participation rate (a non-GAAP ratio). See the "Non-GAAP Ratios" section for a description of DRIP participation rate. Management believes distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) is a useful measure to investors in evaluating the impact that the distributions reinvested will have on the Trust's ability to preserve liquidity by issuing additional REIT Units, in contrast with paying cash distribution.

Distributions reinvested less 3% bonus distributions is reconciled to distributions reinvested (the most directly comparable financial measure) for the three and six months ended June 30, 2022 and June 30, 2021.

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Distributions reinvested as included in condensed consolidated financial statements	**$ 10,565**	$ 7,799	**$ 21,496**	$ 13,203
Less: Distributions reinvested pertaining to prior period	**(2,843)**	(2,367)	**(3,134)**	(796)
Add: Distributions reinvested on July 15, 2022 and July 15, 2021, respectively	**2,698**	3,076	**2,698**	3,076
Less: 3% bonus distribution	**(308)**	(227)	**(626)**	(384)
Distributions reinvested less 3% bonus distribution	**$ 10,112**	$ 8,281	**$ 20,434**	$ 15,099

Distributions paid in cash (a non-GAAP financial measure) is a useful measure to investors in evaluating the cash flow requirements of the Trust to fund the cash distributions. Distributions paid in cash is reconciled to distributions paid on REIT Units (the most directly comparable financial measure) for the three and six months ended June 30, 2022 and June 30, 2021.

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Distributions paid on REIT Units	**$ 34,262**	$ 24,539	**$ 64,915**	$ 48,388
Interest paid on LP B Units	**3,247**	3,247	**6,493**	6,493
Less: Distributions paid on REIT Units pertaining to prior period	**(11,983)**	(7,748)	**(10,507)**	(8,110)
Less: Interest paid on LP B Units pertaining to prior period	**(1,082)**	(1,082)	**(1,082)**	(1,082)
Add: Distributions paid on REIT Units on July 15, 2022 and July 15, 2021, respectively	**12,176**	9,163	**12,176**	9,163
Add: Interest paid on LP B Units on July 15, 2022 and July 15, 2021, respectively	**1,082**	1,083	**1,082**	1,083
Distributions paid in cash	**$ 37,702**	$ 29,202	**$ 73,077**	$ 55,935

Available liquidity

Available liquidity is a non-GAAP financial measure defined as the sum of cash and cash equivalents and undrawn unsecured revolving credit facility at period-end. Management believes that available liquidity is a useful measure to investors in determining our resources available as at period-end to meet all of our ongoing obligations and future commitments.

The table below reconciles available liquidity to cash and cash equivalents (the most directly comparable IFRS financial measure) as at June 30, 2022, December 31, 2021 and June 30, 2021:

	June 30, 2022	December 31, 2021	June 30, 2021
Cash and cash equivalents per condensed consolidated financial statements	**$ 81,311**	$ 164,015	$ 313,249
Undrawn unsecured revolving credit facility[1]	**347,751**	347,597	350,000
Available liquidity	**$ 429,062**	$ 511,612	$ 663,249

(1) Net of letter of credits totalling $2,249, $2,403, and $nil as at June 30, 2022, December 31, 2021, and June 30, 2021, respectively.

Total debt

Total debt is a non-GAAP financial measure calculated as the sum of current and non-current debt and the CCIRS per the condensed consolidated financial statements. Management believes it is useful to include any CCIRS for the purposes of monitoring the Trust's debt levels. This non-GAAP financial measure is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table below reconciles total debt to non-current debt (the most directly comparable IFRS financial measure) as at June 30, 2022, December 31, 2021 and June 30, 2021:

Amounts per condensed consolidated financial statements		**June 30, 2022**		December 31, 2021		June 30, 2021
Non-current debt	**$**	**1,962,861**	$	2,006,647	$	2,028,401
Current debt		**250,193**		38,349		42,531
Debt classified as liabilities related to assets held for sale		**—**		—		275,932
Fair value of CCIRS(1)(2)		**(125,690)**		(32,514)		(2,020)
Total debt	**$**	**2,087,364**	$	2,012,482	$	2,344,844

(1) As at June 30, 2022, the CCIRS were in a net asset position and $125,870 was included in "Derivatives and other non-current assets" and $180 in "Derivatives and other non-current liabilities" in the condensed consolidated financial statements (December 31, 2021 – the CCIRS were in an asset position and $38,939 was included in "Derivatives and other non-current assets" and $6,425 in "Derivatives and other non-current liabilities" in the consolidated financial statements).

(2) As at June 30, 2021, the CCIRS were in a net asset position and $8,287 was included in "Derivatives and other non-current assets" and ($6,267) in "Derivatives and other non-current liabilities" in the condensed consolidated financial statements.

Net total debt and total assets (net of cash and cash equivalents)

Net total debt is a non-GAAP financial measure calculated as the sum of current and non-current debt, the fair value of CCIRS, unamortized financing costs and fair value adjustments, less cash and cash equivalents and the fair value asset of CCIRS. Management believes this is a useful financial measure to investors used to monitor the principal amount of debt outstanding after factoring in liquid assets such as cash and cash equivalents and used as a component to assess the Trust's ability to take on additional debt and its ability to manage overall balance sheet risk levels (see under the heading "Net total debt-to-total assets (net of cash and cash equivalents) ratio" below for details).

Total assets (net of cash and cash equivalents) is a non-GAAP financial measure calculated as the sum of total assets less cash and cash equivalents. Management believes this is a useful financial measure to investors as a component to assess the Trust's ability to take on additional debt and its ability to manage overall balance sheet risk levels (see under the "Net total debt-to-total assets (net of cash and cash equivalents) ratio" heading below for details).

These non-GAAP financial measures are not defined by IFRS, do not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The following table reconciles net total debt to non-current debt (the most directly comparable IFRS financial measure) and total assets (net of cash and cash equivalents) to total assets (the most directly comparable IFRS financial measure) as at June 30, 2022, December 31, 2021, and June 30, 2021:

	June 30, 2022	December 31, 2021	June 30, 2021
Non-current debt	**$ 1,962,861**	$ 2,006,647	$ 2,028,401
Add (deduct):			
Current debt	**250,193**	38,349	42,531
Debt classified as liabilities related to assets held for sale	**—**	—	275,932
Fair value of CCIRS	**(125,690)**	(32,514)	(2,020)
Unamortized financing costs	**6,944**	4,937	9,078
Unamortized fair value adjustments	**(3,253)**	(5,287)	(7,235)
Cash and cash equivalents	**(81,311)**	(164,015)	(313,249)
Net total debt	**$ 2,009,744**	$ 1,848,117	$ 2,033,438
Total assets	**6,963,251**	6,053,566	5,680,938
Less: Fair value of CCIRS	**(125,690)**	(32,514)	(2,020)
Less: Cash and cash equivalents	**(81,311)**	(164,015)	(313,249)
Total assets (net of cash and cash equivalents)	**$ 6,756,250**	$ 5,857,037	$ 5,365,669

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

Adjusted EBITDAFV is defined by the Trust as net income for the period adjusted for share of net income from equity accounted investment, share of EBITDAFV from equity accounted investment, fair value adjustments to investment properties and financial instruments, net loss on transactions and other activities (including depreciation), interest expense, debt settlement costs, other items included in investment properties revenue (including amortization), and net deferred and current income taxes expense. The adjustments include activity from continuing and discontinued operations. The aforementioned adjustments included in net income do not necessarily provide an accurate picture of the Trust's past or recurring operating performance. Management believes adjusted EBITDAFV, a non-GAAP financial measure, provides our investors with additional relevant information on our operating performance, excluding any non-cash items and extraneous factors. Adjusted EBITDAFV is a commonly used measure of performance of real estate operations; however, it does not represent net income or 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.

Adjusted EBITDAFV is reconciled to net income (the most directly comparable financial measure) in the table below for the three months ended June 30, 2022, December 31, 2021, and June 30, 2021, for the six months ended June 30, 2022, June 30, 2021, and June 30, 2020, and for the years ended December 31, 2021 and December 31, 2020.

	For the three months ended			For the six months ended			For the year ended	
	June 30, 2022	December 31, 2021	June 30, 2021	**June 30, 2022**	June 30, 2021	June 30, 2020	December 31, 2021	December 31, 2020
Net income for the period	**$ 171,480**	$ 189,971	$ 160,295	**$ 614,369**	$ 255,559	$ 44,961	$ 608,345	$ 200,136
Add (deduct):								
Fair value adjustments to investment properties	**(24,699)**	(141,841)	(207,117)	**(385,395)**	(281,718)	38,090	(586,011)	(120,079)
Fair value adjustments to financial instruments	**(84,242)**	18,818	74,971	**(111,903)**	76,845	(37,002)	111,723	10,915
Share of net income from equity accounted investments	**(23,031)**	(26,239)	—	**(41,425)**	—	—	(39,270)	—
Interest expense on debt and other financing costs	**4,970**	3,679	7,462	**9,020**	15,443	17,509	24,530	34,338
Interest expense on subsidiary redeemable units	**3,247**	3,247	3,247	**6,493**	6,493	6,558	12,986	13,051
Other items included in investment properties revenue[1]	**(746)**	(660)	(60)	**(1,418)**	(211)	(502)	(2,372)	(522)
Distributions from equity accounted investment	**1,077**	967	—	**2,152**	—	—	1,931	—
Deferred and current income taxes expense, net	**8,884**	9,599	6,211	**22,791**	10,160	1,330	30,257	8,678
Net loss (gain) on transactions and other activities	**4,923**	(3,579)	1,037	**6,028**	2,646	(965)	3,066	1,506
Debt settlement costs	**—**	—	—	**—**	3,059	4,324	31,569	4,324
Adjusted EBITDAFV for the period	**$ 61,863**	$ 53,962	$ 46,046	**$ 120,712**	$ 88,276	$ 74,303	$ 196,754	$ 152,347

(1) Includes lease termination fees and other items, straight-line rent and amortization of lease incentives.

The trailing 12-month adjusted EBITDAFV and trailing 12-month interest expense on debt and other financing costs are components used to calculate interest coverage ratio, a non-GAAP ratio.

The trailing 12-month adjusted EBITDAFV for the period ended June 30, 2022 is calculated as follows:

		Trailing 12-month period ended June 30, 2022
Adjusted EBITDAFV for the six months ended June 30, 2022[1]	**$**	**120,712**
Add: Adjusted EBITDAFV for the year ended December 31, 2021[1]		**196,754**
Less: Adjusted EBITDAFV for the six months ended June 30, 2021[1]		**(88,276)**
Trailing 12-month adjusted EBITDAFV	**$**	**229,190**

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the three months ended June 30, 2022 and June 30, 2021, as well as for the year ended December 31, 2021, has been reconciled to net income for the respective periods within this section above.

The trailing 12-month adjusted EBITDAFV for the period ended June 30, 2021 is calculated as follows:

		Trailing 12-month period ended June 30, 2021
Adjusted EBITDAFV for the six months ended June 30, 2021[1]	$	88,276
Add: Adjusted EBITDAFV for the year ended December 31, 2020[1]		152,347
Less: Adjusted EBITDAFV for the six months ended June 30, 2020[1]		(74,303)
Trailing 12-month adjusted EBITDAFV	$	166,320

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the three months ended June 30, 2021 and June 30, 2020, as well as for the year ended December 31, 2020, has been reconciled to net income for the respective periods within this section above.

The trailing 12-month interest expense on debt and other financing costs for the period ended June 30, 2022 is calculated as follows:

		Trailing 12-month period ended June 30, 2022
Interest expense on debt and other financing costs for the six months ended June 30, 2022[1]	**$**	**9,020**
Add: Interest expense on debt and other financing costs for the year ended December 31, 2021[1]		**24,530**
Less: Interest expense on debt and other financing costs for the six months ended June 30, 2021[1]		**(15,443)**
Trailing 12-month interest expense on debt and other financing costs	**$**	**18,107**

(1) Per consolidated financial statements.

The trailing 12-month interest expense on debt and other financing costs for the period ended June 30, 2021 is calculated as follows:

		Trailing 12-month period ended June 30, 2021
Interest expense on debt and other financing costs for the six months ended June 30, 2021[1]	$	15,443
Add: Interest expense on debt and other financing costs for the year ended December 31, 2020[1]		34,338
Less: Interest expense on debt and other financing costs for the six months ended June 30, 2020[1]		(17,509)
Trailing 12-month interest expense on debt and other financing costs	$	32,272

(1) Per consolidated financial statements.

NON-GAAP RATIOS

The following non-GAAP ratios are important measures used by management in evaluating the Trust's underlying operating performance and debt management. These non-GAAP ratios are not defined by IFRS and do not have standard meanings. The Trust's method of calculating non-GAAP ratios may differ from other issuers' methods and, accordingly, may not be comparable with similar measures presented by other issuers.

Diluted FFO per Unit

Management believes diluted FFO per Unit, a non-GAAP ratio, provides our investors with additional relevant information on our operating performance and it is used by management in evaluating the Trust's operating performance. Fair value adjustments to investment properties and financial instruments, gains or losses on disposal of investment properties, debt settlement costs arising from capital management activities and disposals of investment properties, and other non-cash items do not necessarily provide an accurate picture of the Trust's past or recurring operating performance. FFO and diluted FFO per Unit are commonly used measures of performance of real estate operations; however, they do not represent net income or cash flows generated from (utilized in) operating activities, as defined by IFRS, are not necessarily indicative of cash available to fund the Trust's needs and may not be comparable with similar measures presented by other issuers.

Diluted FFO per Unit is a non-GAAP ratio calculated as FFO (a non-GAAP financial measure) divided by the weighted average number of Units. The table below summarizes the components used to calculate diluted FFO per Unit for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
FFO	**$ 58,925**	$ 39,158	**$ 115,563**	$ 74,066
Weighted average number of Units (in thousands)	**273,668**	204,866	**266,554**	195,370
FFO per Unit – diluted	**$ 0.22**	$ 0.19	**$ 0.43**	$ 0.38

Net asset value ("NAV") per Unit

NAV per Unit is a non-GAAP ratio calculated as total equity (including LP B Units) (a non-GAAP financial measure) divided by the total number of REIT Units and LP B Units. This non-GAAP ratio is a useful measure to investors as it reflects management's view of the intrinsic value of the Trust and enables investors to determine if the Trust's REIT Unit price is trading at a discount or premium relative to the NAV per Unit at each reporting period. 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 issuers. The calculation of NAV per Unit is included under the heading "Total equity".

Net total debt-to-total assets (net of cash and cash equivalents) ratio

Management believes that net total debt-to-total assets (net of cash and cash equivalents) ratio is an important non-GAAP ratio in the management of our debt levels. Management and investors monitor this non-GAAP ratio to assess the Trust's ability to take on additional debt and its ability to manage overall balance sheet risk levels. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers. The net total debt-to-total assets (net of cash and cash equivalents) ratio is determined as net total debt (a non-GAAP financial measure) divided by total assets (net of cash and cash equivalents) (a non-GAAP financial measure).

The following table summarizes the components used to determine this non-GAAP ratio as at June 30, 2022, December 31, 2021 and June 30, 2021:

	June 30, 2022	December 31, 2021	June 30, 2021
Net total debt(1)	**$ 2,009,744**	$ 1,848,117	$ 2,033,438
Total assets (net of cash and cash equivalents)(1) (2)	**6,756,250**	5,857,037	5,365,669
Net total debt-to-total assets (net of cash and cash equivalents) ratio	**29.7%**	31.6%	37.9%

(1) Net total debt and total assets (net of cash and cash equivalents) are non-GAAP financial measures; refer to the "Non-GAAP Financial Measures" section for additional information about this non-GAAP financial measure under the heading "Net total debt and total assets (net of cash and cash equivalents)".

(2) Excludes the fair value of the CCIRS of $125,690, $32,514 and $2,020 as at June 30, 2022, December 31, 2021, and June 30, 2021, as already considered in the non-GAAP financial measure, net total debt.

Net total debt-to-normalized adjusted EBITDAFV ratio (years)

Management believes that net total debt-to-normalized adjusted EBITDAFV ratio (years), a non-GAAP ratio, is a useful measure to investors in determining the time it takes the Trust, on a go forward basis, based on its normalized operating performance, to repay its debt. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Net total debt-to-normalized adjusted EBITDAFV as shown below is calculated as net total debt (a non-GAAP financial measure) divided by normalized adjusted EBITDAFV – annualized (a non-GAAP financial measure). Normalized adjusted EBITDAFV – annualized is calculated as the quarterly adjusted EBITDAFV plus normalized NOI of properties acquired in the quarter less NOI of properties disposed of prior to the current quarter. Adjusted EBITDAFV (a non-GAAP financial measure) is defined below under the heading "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV")".

The following table calculates the annualized net total debt-to-normalized adjusted EBITDAFV as at June 30, 2022, December 31, 2021, and June 30, 2021:

	June 30, 2022	December 31, 2021	June 30, 2021
Net total debt[(1)]	**$ 2,009,744**	$ 1,848,117	$ 2,033,438
Adjusted EBITDAFV[(2)] **– quarterly**	**61,863**	53,962	46,046
Add (deduct):			
Normalized NOI of properties acquired in the quarter[(3)]	**2,540**	3,898	13,002
NOI of properties disposed of in the quarter[(4)]	**—**	(355)	—
Normalized adjusted EBITDAFV – quarterly	**64,403**	57,505	59,048
Normalized adjusted EBITDAFV – annualized	**$ 257,612**	$ 230,020	$ 236,192
Net total debt-to-normalized adjusted EBITDAFV (years)	**7.8**	8.0	8.6

(1) Net total debt is a non-GAAP financial measure; refer to detailed descriptions and calculations under the heading "Net total debt and total assets (net of cash and cash equivalents)".

(2) Adjusted EBITDAFV (a non-GAAP financial measure) for the three months ended June 30, 2022, December 31, 2021, and June 30, 2021 is reconciled to net income for the respective periods under the heading "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV")".

(3) 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.

(4) Includes the portion of NOI generated by the two remaining U.S. investment properties during the quarter that will be earned by the U.S. Fund on a go forward basis as a result of the sale.

Interest coverage ratio

Management believes that interest coverage ratio, a non-GAAP ratio, is a useful measure to investors in determining our ability to cover interest expense on debt and other financing costs based on our operating performance.

Interest coverage ratio as shown below is calculated as the trailing 12-month adjusted EBITDAFV divided by the trailing 12-month interest expense on debt and other financing costs. Interest expense on subsidiary redeemable units is excluded from this ratio as it represents distributions on units; however, pursuant to IFRS, the distributions are presented as interest expense.
The following table calculates the interest coverage ratio for the trailing 12-month period ended June 30, 2022 and June 30, 2021, and for the year ended December 31, 2021:

	For the trailing 12-month period ended June 30, 2022	For the year ended December 31, 2021	For the trailing 12-month period ended June 30, 2021
Adjusted EBITDAFV[(1)]	**$ 229,190**	$ 196,754	$ 166,320
Interest expense on debt and other financing costs	**18,107**	24,530	32,272
Interest coverage ratio (times)	**12.7**	8.0	5.2

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the trailing 12-month period ended June 30, 2022 and June 30, 2021, and for the year ended December 31, 2021, has been reconciled to net income under the heading "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV")" within the "Non-GAAP Financial Measures" section above.

DRIP participation rate

The DRIP participation rate is a non-GAAP ratio calculated as distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) divided by the sum of distributions reinvested, less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure). Management believes it is a useful measure to investors in evaluating the impact that 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 following table summarizes the components used to determine DRIP participation rate for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Distributions reinvested less 3% bonus distribution(1)	**$ 10,112**	$ 8,281	**$ 20,434**	$ 15,099
Distributions paid in cash(1)	**37,702**	29,202	**73,077**	55,935
Total distributions excluding 3% bonus distribution	**$ 47,814**	$ 37,483	**$ 93,511**	$ 71,034
DRIP participation rate	**21.1%**	22.1%	**21.9%**	21.3%

(1) Distributions reinvested less 3% bonus distribution (a non-GAAP financial measure) and distributions paid in cash (a non-GAAP financial measure) for the three months ended June 30, 2022 and June 30, 2021 have been reconciled to distributions reinvested and distributions paid on REIT Units, respectively, under the heading "Distributions reinvested less 3% bonus distribution and distributions excluding 3% bonus distribution" within the "Non-GAAP Financial Measures" section above.

SUPPLEMENTARY FINANCIAL MEASURES AND RATIOS AND OTHER DISCLOSURES

The following supplementary financial measures and ratios are important measures used by management in evaluating the Trust's debt management. These supplementary financial measures and ratios do not have standard meanings and may not be comparable with similar measures presented by other issuers.

Unencumbered investment properties and unencumbered investment properties as a percentage of investment properties

Unencumbered investment properties is a supplementary financial measure representing the value of investment properties, excluding properties held for sale, that have not been pledged as collateral for the financing of the Trust's unsecured revolving credit facility or mortgages. The term "investment properties" used in unencumbered investment properties is determined in accordance with the accounting policies used to prepare the investment properties line item presented in the condensed consolidated financial statements. Unencumbered investment properties as a percentage of investment properties is a supplementary financial ratio calculated as total unencumbered investment properties divided by total investment properties. The supplementary financial measure and ratio are used by management and investors in assessing the borrowing capacity available to the Trust.

The table below summarizes the components used to determine unencumbered investment properties and unencumbered investment properties as a percentage of investment properties as at June 30, 2022, December 31, 2021, and June 30, 2021:

Amounts included in condensed consolidated financial statements	**June 30, 2022**	December 31, 2021	June 30, 2021
Investment properties(1)	**$ 6,407,001**	$ 5,696,607	$ 4,689,801
Less: Pledged as collateral	**(1,490,291)**	(1,541,682)	(2,367,082)
Unencumbered investment properties	**$ 4,916,710**	$ 4,154,925	$ 2,322,719
Unencumbered investment properties as a percentage of investment properties	**76.7%**	72.9%	49.5%

(1) Excludes assets held for sale at June 30, 2021.

Secured debt and secured debt as a percentage of total assets

Secured debt is a supplementary financial measure representing debt, excluding unsecured debt. The term "debt" used in secured debt is determined in accordance with the accounting policies used to prepare the current and non-current debt line items presented in the condensed consolidated financial statements. Secured debt as a percentage of total assets is a supplementary financial ratio calculated as total secured debt divided by total assets. The supplementary financial measure and ratio are used by management and investors in monitoring the secured debt levels to ensure compliance with certain lender covenant requirements.

The table below summarizes the components used to determine secured debt as a percentage of total assets as at June 30, 2022, December 31, 2021, and June 30, 2021:

Amounts included in condensed consolidated financial statements		**June 30, 2022**		December 31, 2021		June 30, 2021
Secured debt	**$**	**526,772**	$	561,681	$	1,117,259
Total assets		**6,963,251**		6,053,566		5,680,938
Secured debt as a percentage of total assets		**7.6%**		9.3%		19.7%

Unsecured debt

Unsecured debt is a supplementary financial measure representing debt, including fair value of CCIRS, and excludes secured debt. The term "debt" used in unsecured debt is determined in accordance with the accounting policies used to prepare the current and non-current debt line items presented in the condensed consolidated financial statements. This supplementary financial measure is used by management and investors in monitoring the unsecured debt levels to ensure compliance with certain lender covenant requirements.

The table below summarizes the components used to determine unsecured debt as at June 30, 2022, December 31, 2021, and June 30, 2021:

Amounts included in condensed consolidated financial statements		**June 30, 2022**		December 31, 2021		June 30, 2021
Unsecured revolving credit facility	**$**	**(349)**	$	(464)	$	(893)
Unsecured term loan		**192,938**		189,705		185,331
Unsecured debentures		**1,493,693**		1,294,074		1,045,167
Fair value of CCIRS[1]		**(125,690)**		(32,514)		(2,020)
Unsecured debt	**$**	**1,560,592**	$	1,450,801	$	1,227,585

(1) Attributed to unsecured term loan and unsecured debentures.

Weighted average number of Units

The basic weighted average number of Units (non-financial information) 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 (non-financial information) used in the FFO per Unit (non-GAAP ratio) calculation includes the basic weighted average number of Units, unvested deferred trust units and associated income deferred trust units. As at June 30, 2022, there were 538,866 unvested deferred trust units and associated income deferred trust units (June 30, 2021 – 441,039).

The table below summarizes the basic and diluted weighted average number of Units for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
Weighted average Units outstanding	**2022**	2021	**2022**	2021
Basic (in thousands)	**273,129**	204,416	**266,015**	194,950
Diluted (in thousands)	**273,668**	204,866	**266,554**	195,370

SECTION V

DISCLOSURE CONTROLS AND OUR PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

At June 30, 2022, 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 three and six months ended June 30, 2022, 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 further discussion of the risks and uncertainties identified by Dream Industrial REIT, including in respect of global market, economic and political risks, geopolitical risks, foreign currency exchange risk, development risks, financing risks, interest rate risks and other risks, please see below and refer to our latest Annual Report and Annual Information Form, each filed on SEDAR (www.sedar.com).

ECONOMIC ENVIRONMENT RISKS

Uncertainty over whether the economy will be adversely affected by inflation or stagflation, and the systemic impact of volatile energy costs, may contribute to increased market volatility. Such economic uncertainties and market challenges, which may result from a continued or exacerbated general economic slowdown, and their effects could materially and adversely affect the Trust's ability to generate revenues, thereby reducing its operating income and earnings. A difficult operating environment could also have a material adverse effect on the ability of the Trust to maintain occupancy rates at its properties, which could harm the Trust's financial condition. Under such economic conditions, the Trust's tenants may be unable to meet their rental payments and other obligations due to the Trust, which could have a material adverse effect on the Trust's financial position.

Increased inflation could lead to higher interest rates from central banks which would have a more pronounced negative impact on any variable rate debt the Trust is subject to or incurs in the future and on its results of operations. Similarly, during periods of high inflation, contractual annual rent increases may be less than the rate of inflation on a continual basis. Substantial inflationary pressures and increased costs may have an adverse impact on the Trust's tenants if increases in their operating expenses exceed increases in revenue. This may adversely affect the tenants' ability to pay rent, and the Trust's ability to increase rents on lease rollovers, which could negatively affect the Trust's financial condition.

Increased inflation could lead to higher costs on future development projects which could reduce the profitability of the planned development projects to the extent that higher rents cannot be obtained from prospective tenants.

In respect of the Trust's real estate purchases, the Trust is also subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of its purchases, or the number of investors seeking to acquire properties decreases, the value of the Trust's investments may not appreciate or may depreciate. Accordingly, the Trust's operations and financial condition could be materially and adversely affected to the extent that an economic slowdown or downturn occurs, is prolonged or becomes more severe.

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 for the three and six months ended June 30, 2022, and in our annual consolidated financial statements for the year ended December 31, 2021.

FUTURE ACCOUNTING POLICY CHANGES

Dream Industrial REIT's future accounting policy changes are described in Note 3 to the condensed consolidated financial statements for the three and six months ended June 30, 2022.

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.

Condensed consolidated balance sheets

(in thousands of Canadian dollars)
(Unaudited)

	Note	June 30, 2022	December 31, 2021
Assets			
NON-CURRENT ASSETS			
Investment properties	4, 5	**$ 6,407,001**	$ 5,696,607
Equity accounted investments	6	**303,223**	139,355
Derivatives and other non-current assets	7	**137,983**	40,865
		6,848,207	5,876,827
CURRENT ASSETS			
Amounts receivable		**21,937**	7,857
Prepaid expenses and other assets		**11,796**	4,867
Cash and cash equivalents		**81,311**	164,015
		115,044	176,739
Total assets		**$ 6,963,251**	$ 6,053,566
Liabilities			
NON-CURRENT LIABILITIES			
Non-current debt	9	**$ 1,962,861**	$ 2,006,647
Subsidiary redeemable units		**224,106**	319,463
Deferred Unit Incentive Plan ("DUIP")		**13,171**	17,747
Deferred income tax liabilities, net		**50,227**	29,359
Derivatives and other non-current liabilities	11	**38,294**	46,082
		2,288,659	2,419,298
CURRENT LIABILITIES			
Current debt	9	**250,193**	38,349
Amounts payable and accrued liabilities		**93,671**	95,742
Current income tax liabilities		**1,777**	754
		345,641	134,845
Total liabilities		**2,634,300**	2,554,143
Equity			
Unitholders' equity		**3,088,274**	2,756,156
Retained earnings		**1,273,573**	746,848
Accumulated other comprehensive loss	12	**(32,896)**	(3,581)
Total equity		**4,328,951**	3,499,423
Total liabilities and equity		**$ 6,963,251**	$ 6,053,566

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
Trustee

Sheldon Wiseman
Trustee

Condensed consolidated statements of comprehensive income

(in thousands of Canadian dollars)
(Unaudited)

	Note	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Investment properties revenue	13	**$ 89,959**	$ 69,267	**$ 177,387**	$ 134,698
Investment properties operating expenses		**(21,230)**	(18,172)	**(43,345)**	(36,941)
Net rental income		**68,729**	51,095	**134,042**	97,757
Other income					
Share of net income from equity accounted investments	6	**23,031**	—	**41,425**	—
Interest, fee income and other		**163**	199	**272**	433
		23,194	199	**41,697**	433
Other expenses					
General and administrative		**(7,360)**	(5,188)	**(14,336)**	(9,703)
Interest:					
Debt and other financing costs		**(4,970)**	(7,462)	**(9,020)**	(15,443)
Subsidiary redeemable units		**(3,247)**	(3,247)	**(6,493)**	(6,493)
Debt settlement costs		**—**	—	**—**	(3,059)
		(15,577)	(15,897)	**(29,849)**	(34,698)
Fair value adjustments and net loss on transactions and other activities					
Fair value adjustments to investment properties	4	**24,699**	207,117	**385,395**	281,718
Fair value adjustments to financial instruments	14	**84,242**	(74,971)	**111,903**	(76,845)
Net loss on transactions and other activities	15	**(4,923)**	(1,037)	**(6,028)**	(2,646)
		104,018	131,109	**491,270**	202,227
Income before income taxes		**180,364**	166,506	**637,160**	265,719
Current and deferred income tax expense, net	10	**(8,884)**	(6,211)	**(22,791)**	(10,160)
Net income		**$ 171,480**	$ 160,295	**$ 614,369**	$ 255,559
Other comprehensive loss					
Items that will be reclassified subsequently to net income:					
Unrealized loss on foreign currency translation of foreign operations, net of taxes	12	**$ (53,493)**	$ (3,807)	**$ (124,317)**	$ (33,742)
Unrealized gain (loss) on hedging instruments, net of taxes	12	**41,683**	(4,732)	**90,056**	13,859
Share of other comprehensive gain (loss) from equity accounted investment	12	**7,714**	(223)	**4,946**	(332)
		(4,096)	(8,762)	**(29,315)**	(20,215)
Comprehensive income		**$ 167,384**	$ 151,533	**$ 585,054**	$ 235,344

See accompanying notes to the condensed consolidated financial statements.

Condensed consolidated statements of changes in equity

(all dollar amounts in thousands of Canadian dollars)
(Unaudited)

Six months ended June 30, 2022	Note	Number of REIT Units		Unitholders' equity		Retained earnings		Accumulated other comprehensive loss		Total equity
		Attributable to unitholders of the Trust								
Balance at January 1, 2022		**233,864,845**	**$**	**2,756,156**	**$**	**746,848**	**$**	**(3,581)**	**$**	**3,499,423**
Net income		**—**		**—**		**614,369**		**—**		**614,369**
Distributions paid and payable	16	**—**		**—**		**(87,644)**		**—**		**(87,644)**
Public offerings of REIT Units	17	**19,588,300**		**320,146**		**—**		**—**		**320,146**
Distribution Reinvestment Plan		**1,439,189**		**21,496**		**—**		**—**		**21,496**
REIT Units issued for vested deferred trust units and Unit Purchase Plan		**107,848**		**1,678**		**—**		**—**		**1,678**
Issue costs and other	17	**—**		**(11,202)**		**—**		**—**		**(11,202)**
Other comprehensive loss	12	**—**		**—**		**—**		**(29,315)**		**(29,315)**
Balance at June 30, 2022		**255,000,182**	**$**	**3,088,274**	**$**	**1,273,573**	**$**	**(32,896)**	**$**	**4,328,951**

Six months ended June 30, 2021	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, 2021		152,678,861	$	1,605,724	$	281,531	$	17,621	$	1,904,876
Net income		—		—		255,559		—		255,559
Distributions paid and payable	16	—		—		(64,925)		—		(64,925)
Public offerings of REIT Units	17	56,085,500		778,149		—		—		778,149
Distribution Reinvestment Plan		962,181		13,203		—		—		13,203
REIT Units issued for vested deferred trust units and Unit Purchase Plan		88,473		1,157		—		—		1,157
Issue costs and other		—		(26,069)		—		—		(26,069)
Other comprehensive loss	12	—		—		—		(20,215)		(20,215)
Balance at June 30, 2021		209,815,015	$	2,372,164	$	472,165	$	(2,594)	$	2,841,735

See accompanying notes to the condensed consolidated financial statements.

Condensed consolidated statements of cash flows

(in thousands of Canadian dollars)
(Unaudited)

	Note	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Generated from (utilized in) operating activities					
Net income		**$ 171,480**	$ 160,295	**$ 614,369**	$ 255,559
Non-cash items:					
Share of net income from equity accounted investments	6	**(23,031)**	—	**(41,425)**	—
Fair value adjustments to investment properties	4	**(24,699)**	(207,117)	**(385,395)**	(281,718)
Unrealized fair value adjustments to financial instruments	14	**(84,242)**	74,971	**(111,903)**	76,845
Depreciation and amortization		**488**	463	**1,120**	964
Other adjustments	18	**15,155**	10,257	**31,266**	18,398
Change in non-cash working capital	18	**7,306**	1,309	**(11,275)**	1,324
Investment in lease incentives and initial direct leasing costs		**(5,641)**	(5,177)	**(8,833)**	(7,919)
Interest expense on debt and other financing costs		**4,970**	7,462	**9,020**	15,443
Debt settlement costs		—	—	—	3,059
		61,786	42,463	**96,944**	81,955
Generated from (utilized in) investing activities					
Investment in building improvements and other pre-development costs		**(43,940)**	(4,523)	**(62,609)**	(6,627)
Investment in property and equipment		—	—	**(2)**	—
Acquisitions, deposits and transaction costs of investment properties (net of cash acquired)		**(374,370)**	(1,001,607)	**(506,860)**	(1,275,287)
Dispositions of investment properties (net of assumed mortgages and transaction costs)		**68,157**	—	**68,157**	—
Distributions from equity accounted investments		—	—	**967**	—
Contributions to equity accounted investments		**(61,843)**	(1,633)	**(88,988)**	(1,880)
		(411,996)	(1,007,763)	**(589,335)**	(1,283,794)
Generated from (utilized in) financing activities					
Borrowings	9	**200,000**	799,800	**200,000**	799,800
Lump sum repayments	9	—	(26,970)	—	(169,935)
Principal repayments	9	**(3,284)**	(5,273)	**(4,226)**	(10,373)
Financing costs additions	9	**(1,150)**	(3,925)	**(1,150)**	(3,925)
Interest and other financing costs paid on debt		**(6,336)**	(6,144)	**(8,567)**	(14,010)
Interest paid on subsidiary redeemable units		**(3,247)**	(3,247)	**(6,493)**	(6,493)
Debt settlement costs paid		—	—	—	(3,059)
Distributions paid on REIT Units	16	**(34,262)**	(24,539)	**(64,915)**	(48,388)
Cash proceeds on issuance of REIT Units	17	**3**	481,902	**320,162**	740,974
Issue costs paid on REIT Units		**17**	(14,322)	**(11,394)**	(24,675)
Other adjustments to financing activities		**(53)**	(756)	**(153)**	(864)
		151,688	1,196,526	**423,264**	1,259,052
Increase (decrease) in cash and cash equivalents		**(198,522)**	231,226	**(69,127)**	57,213
Foreign exchange gain (loss) on cash held in foreign currency		**(10,255)**	1,226	**(13,577)**	1,101
Cash and cash equivalents, beginning of period		**290,088**	80,797	**164,015**	254,935
Cash and cash equivalents, end of period		**$ 81,311**	$ 313,249	**$ 81,311**	$ 313,249

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 for per REIT Unit amounts, or unless otherwise stated)
(Unaudited)

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 owns, manages and operates industrial properties in key markets across Canada, Europe and the United States.

The principal office and centre of administration of the Trust is at 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1. The Trust is listed on the Toronto Stock Exchange ("TSX") under the symbol "DIR.UN". Dream Industrial REIT's condensed consolidated financial statements for the three and six months ended June 30, 2022 were authorized for issuance by the Board of Trustees on August 2, 2022, after which they may be amended only 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;
- "LP B Units" or "subsidiary redeemable units", meaning the Class B limited partnership units of Dream Industrial LP ("DILP"), a subsidiary of the Trust;
- "Special Trust Units", meaning units issued in connection with subsidiary redeemable units; and
- "Units", meaning REIT Units and subsidiary redeemable units, collectively.

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, 2021, which have been prepared in accordance with IFRS, as issued by the IASB.

Accounting policies

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, 2021.

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 amounts of assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount 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 annual consolidated financial statements for the year ended December 31, 2021.

Note 3

FUTURE ACCOUNTING POLICY CHANGES

Amendments to IAS 1, "Presentation of Financial Statements"

The IASB has issued amendments to IAS 1, "Presentation of Financial Statements" ("IAS 1"). The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2023. The Trust is currently assessing the impact of these amendments.

Note 4

INVESTMENT PROPERTIES

		Six months ended June 30, 2022			Year ended December 31, 2021		
	Note	**Income-producing properties**	**Properties held for development**	**Investment properties**	Income-producing properties	Properties held for development	Investment properties
Balance at beginning of period		**$ 5,618,966**	**$ 77,641**	**$ 5,696,607**	$ 3,241,601	$ —	$ 3,241,601
Additions (deductions):							
Acquisitions of investment properties and land	5	**464,827**	**25,718**	**490,545**	2,452,678	76,538	2,529,216
Building improvements		**61,514**	**—**	**61,514**	46,494	—	46,494
Lease incentives and initial direct leasing costs		**10,071**	**—**	**10,071**	15,953	—	15,953
Capitalized interest and other pre-development costs		**—**	**6,354**	**6,354**	—	1,103	1,103
Income-producing properties transferred to/from properties held for development(1)		**(41,899)**	**41,899**	**—**	—	—	—
Investment properties reclassified to assets held for sale and disposed	8	**—**	**(97,293)**	**(97,293)**	(640,032)	—	(640,032)
Fair value adjustments to investment properties		**351,143**	**33,644**	**384,787**	585,223	—	585,223
Change in straight-line rent		**2,584**	**—**	**2,584**	2,666	—	2,666
Amortization of lease incentives		**(1,115)**	**—**	**(1,115)**	(1,796)	—	(1,796)
Foreign currency translation		**(147,053)**	**—**	**(147,053)**	(83,821)	—	(83,821)
Balance at end of period		**$ 6,319,038**	**$ 87,963**	**$ 6,407,001**	$ 5,618,966	$ 77,641	$ 5,696,607
Change in unrealized income included in net income							
Change in fair value of investment properties		**$ 351,143**	**$ —**	**$ 351,143**	$ 585,223	$ —	$ 585,223

(1) Three Ontario income-producing properties were transferred to properties held for development due to redevelopment activities.

Investment properties include $14,241 (December 31, 2021 – $11,731) related to straight-line rent receivables.

Valuations of externally appraised investment properties

For the three and six months ended June 30, 2022, there were 29 investment properties valued by qualified external valuation professionals representing 9.5% of total investment property values, excluding acquired properties (for the year ended December 31, 2021 – 68 investment properties were externally appraised representing 27.7% of total investment property values, excluding acquired properties).

Fair value adjustments to investment properties

When performing fair value assessments for its investment properties, the Trust incorporates a number of factors, including recent market transactions, recent leasing activity, market vacancy, leasing costs and other information obtained from market research and recently completed leases and acquisitions. The fair value of the investment properties as at June 30, 2022 and December 31, 2021 represents the Trust's best estimate based on the internally and externally available information as at the end of each reporting period.

Significant assumptions used in the valuation of investment properties

As at June 30, 2022 and December 31, 2021, the Trust's investment properties were valued using the cap rate and discounted cash flow methods, except for income-producing properties acquired during the respective quarters as applicable and properties held for development. As at June 30, 2022 and December 31, 2021, land parcels included in the properties held for development were valued at the acquisition price plus capitalized interest, planning and pre-development costs incurred to date. Income-producing properties transferred to properties held for development were valued at carrying value, which is the properties' fair value. The significant and unobservable Level 3 valuation metrics used in the methods as at June 30, 2022 and December 31, 2021 are set out in the table below:

	June 30, 2022(1)		December 31, 2021(1)	
	Range (%)	**Weighted average (%)**(2)	Range (%)	Weighted average (%)(2)
Cap rate method				
Stabilized cap rate	**3.20–8.50**	**5.07**	3.25–9.00	5.02
Discounted cash flow method				
Discount rate	**3.95–9.00**	**5.94**	4.00–8.50	5.82
Terminal cap rate	**3.20–8.75**	**5.24**	3.25–8.75	5.17

(1) Excludes properties held for development and investment properties acquired during the respective quarter as applicable.

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

Sensitivities on assumptions

The following sensitivity tables outline the potential impact on the fair value of investment properties, excluding properties held for development, ground leases and the investment properties acquired during the current quarter, assuming a change in the weighted average stabilized cap rates, discount rates and terminal rates by a respective 25 basis points ("bps") as at June 30, 2022:

	Impact to change in weighted average stabilized cap rates	
Cap rate method	+25 bps	–25 bps
Increase (decrease) in value	$ (277,667)	$ 306,461

	Impact to change in weighted average discount rates		Impact to change in weighted average terminal cap rates	
Discounted cash flow method	+25 bps	–25 bps	+25 bps	–25 bps
Increase (decrease) in value	$ (118,689)	$ 121,626	$ (187,658)	$ 207,366

Note 5

INVESTMENT PROPERTY ACQUISITIONS

Acquisitions

Detailed below are the investment property acquisitions completed for the six months ended June 30, 2022:

		Fair value of investment properties[1]	Date acquired
480 Tapscott Road, Toronto, Ontario	$	22,250	January 28, 2022
Rocky View County (land), Balzac, Alberta[2]		13,750	February 8, 2022
Portugalweg 17, Bodegraven, Netherlands[3]		36,048	March 16, 2022
Bijsterhuizen 3171, Wijchen, Netherlands[3]		26,477	March 24, 2022
4211 Mainway, Burlington, Ontario		17,900	March 31, 2022
Cross Roads Commercial Lands (land), Rocky View County, Alberta[2]		11,400	April 8, 2022
Poortcamp 2, De Lier, Netherlands[3]		30,793	April 19, 2022
Obserhausener Strasse 22, Düsseldorf, Germany[3]		6,170	April 20, 2022
125 Maple Grove, Cambridge, Ontario		31,800	April 26, 2022
60 East Beaver Creek, Richmond Hill, Ontario		30,000	April 28, 2022
219 Shoemaker Street, Kitchener, Ontario		6,250	May 17, 2022
Oude Hoorn 2, Houten, Netherlands[3]		19,238	May 19, 2022
Im Bresselsholze 14, Triptis, Germany[3]		14,693	May 20, 2022
25 Mural Street, Richmond Hill, Ontario		25,850	May 24, 2022
200–220 Joseph Carrier, Montréal, Québec		9,910	June 1, 2022
Hans-Böckler-Strasse 35, Minden, Germany[3]		65,335	June 1, 2022
Im Grund 3, Burgbernheim, Germany[3]		25,267	June 2, 2022
Logistiekweg 4, Bemmel, Netherlands[3]		36,401	June 9, 2022
33 Raglin Place, Cambridge, Ontario		5,400	June 17, 2022
1549 Yorkton Court, Burlington, Ontario		26,900	June 21, 2022
Total	$	461,832	

(1) Fair value of investment properties is at the respective acquisition dates. Excludes transaction costs of $28,713.

(2) Rocky View County (land) and Cross Roads Commercial Lands (land) are parcels of land totalling 50 and 19.5 acres, respectively.

(3) Acquisitions in Europe were settled in euros and translated into Canadian dollars as at the respective transaction dates.

For the year ended December 31, 2021, the Trust acquired investment properties for gross proceeds net of adjustments and before transaction costs totalling $2,420,481.

Detailed below are the considerations paid for the acquired investment properties for the six months ended June 30, 2022 and year ended December 31, 2021:

	Note		**Six months ended June 30, 2022**		Year ended December 31, 2021
Cash paid (net of cash acquired)[1]		**$**	**459,966**	$	1,885,453
Deposits paid in prior period and released to seller on closing			**2,600**		19,925
Assumed non-cash working capital and capital expenditure obligations			**(734)**		37,788
Transaction costs and land transfer taxes			**28,713**		98,593
Assumed mortgages[2]	9		**—**		477,315
Assumed ground lease liabilities[3]			**—**		10,142
Total cost of acquisitions		**$**	**490,545**	$	2,529,216

(1) For the year ended December 31, 2021, this is net of cash acquired of $39,609.

(2) Excludes fair value adjustments on mortgages assumed of $7,035, which are included in transaction costs for the year ended December 31, 2021.

(3) Related to the Pan-European logistics portfolio acquired on June 24, 2021.

Note 6

EQUITY ACCOUNTED INVESTMENTS

The Trust holds an equity accounted investment in a private U.S. industrial fund (the "U.S. Fund"), and in a GTA Development joint venture (the "Development JV"), as defined in Note 8; both are related parties of the Trust. For the six months ended June 30, 2022, the Trust earned fees totalling $2,984 for providing property management and accounting, construction management and leasing services to the U.S. Fund (see Note 20).

Equity accounted investments continuity

			Six months ended June 30, 2022	Year ended December 31, 2021
	Development JV	U.S. Fund	**Total**	Total
Balance at beginning of period	$ —	$ 139,355	**$ 139,355**	$ —
Capital contributions	30,661	88,988	**119,649**	100,681
Distributions earned	—	(2,152)	**(2,152)**	(1,931)
Share of net income	—	41,425	**41,425**	39,270
Foreign currency translation adjustments	—	4,946	**4,946**	1,335
Balance at end of period	$ 30,661	$ 272,562	**$ 303,223**	$ 139,355
Ownership as a percentage of total shares outstanding, end of period	25.0%	25.4%		19.3%

Note 7

DERIVATIVES AND OTHER NON-CURRENT ASSETS

	Note	**June 30, 2022**	December 31, 2021
Property and equipment and other		**$ 2,693**	$ 1,417
Fair value of interest rate swaps		**9,420**	509
Fair value of cross-currency interest rate swaps ("CCIRS")	22	**125,870**	38,939
Total		**$ 137,983**	$ 40,865

Note 8
DISPOSITIONS

On April 29, 2022, the Trust completed the contribution of two properties held for development in Canada to a newly formed Development JV between a subsidiary of the Trust and an institutional investor (the "Partner") for total cash consideration of $68,157 and units of the Development JV representing 25% ownership, with a fair value of $30,661. A subsidiary of Dream Asset Management ("DAM") is the asset manager of the Development JV and the Trust continues paying fees on its interest in the Development JV under its current asset management agreement with DAM. A subsidiary of the Trust will provide property management, capital expenditures oversight, and leasing services to the Development JV upon completion of the properties held for development.

		Fair value of investment properties(1)	Date disposed
Brampton East Lands, Brampton, Ontario(2)	$	70,500	April 29, 2022
Maple Grove Road (land), Cambridge, Ontario(2)		27,518	April 29, 2022
Total	$	98,018	

(1) Fair value of investment properties is as at the respective disposition date.

(2) Control of these investment properties were transferred to the Development JV, a related party of the Trust.

For the year ended December 31, 2021, the Trust disposed of investment properties located in the U.S. and Alberta totalling $641,185.

Note 9
DEBT

		June 30, 2022		December 31, 2021
Mortgages(1)	**$**	**526,772**	$	561,681
Unsecured revolving credit facility(1)		**(349)**		(464)
Unsecured term loan(1)(2)		**192,938**		189,705
Unsecured debentures(1)		**1,493,693**		1,294,074
Total debt		**2,213,054**		2,044,996
Less: Current portion		**(250,193)**		(38,349)
Non-current debt	**$**	**1,962,861**	$	2,006,647

(1) Net of unamortized financing costs and unamortized fair value adjustments, as applicable.

(2) The unsecured term loan is denominated in U.S. dollars and is translated into Canadian dollars at the foreign exchange rate in accordance with the Trust's accounting policy.

Continuity of total debt

The following tables provide a continuity of total debt for the six months ended June 30, 2022 and year ended December 31, 2021:

		June 30, 2022								
		Mortgages[1]		**Unsecured revolving credit facility**		**Unsecured term loan[1]**		**Unsecured debentures**		**Total**
Total debt as at January 1, 2022	**$**	**561,681**	**$**	**(464)**	**$**	**189,705**	**$**	**1,294,074**	**$**	**2,044,996**
Cash items:										
Borrowings		**—**		**—**		**—**		**200,000**		**200,000**
Principal repayments		**(4,226)**		**—**		**—**		**—**		**(4,226)**
Financing cost additions		**—**		**—**		**—**		**(1,150)**		**(1,150)**
Non-cash items:										
Foreign currency translation adjustments		**(29,190)**		**—**		**3,120**		**—**		**(26,070)**
Other adjustments[2]		**(1,493)**		**115**		**113**		**769**		**(496)**
Total debt as at June 30, 2022	**$**	**526,772**	**$**	**(349)**	**$**	**192,938**	**$**	**1,493,693**	**$**	**2,213,054**

(1) The unsecured term loan denominated in U.S. dollars and the mortgages denominated in euros are translated into Canadian dollars at the foreign exchange rate in accordance with the Trust's accounting policy.

(2) Includes amortization of financing costs of $1,029, amortization of fair value adjustments on assumed debt and reopening of Series A Debentures of $(1,525).

			December 31, 2021								
	Note		Mortgages		Unsecured revolving credit facility		Unsecured term loan[1]		Unsecured debentures		Total
Total debt as at January 1, 2021		$	820,964	$	(662)	$	190,289	$	248,339	$	1,258,930
Cash items:											
Borrowings			—		—		—		1,049,800		1,049,800
Lump sum repayments			(433,651)		—		—		—		(433,651)
Principal repayments			(16,573)		—		—		—		(16,573)
Financing cost additions			—		(560)		—		(4,840)		(5,400)
Non-cash items:											
Debt assumed on acquisition of investment properties	5		477,315		—		—		—		477,315
Fair value adjustments on assumed mortgages			7,035		—		—		—		7,035
Debt classified as liabilities related to assets held for sale and disposed			(275,932)		—		—		—		(275,932)
Foreign currency translation adjustments			(17,277)		—		(810)		—		(18,087)
Other adjustments[2]			(200)		758		226		775		1,559
Total debt as at December 31, 2021		$	561,681	$	(464)	$	189,705	$	1,294,074	$	2,044,996

(1) The unsecured term loan is denominated in U.S. dollars and is translated into Canadian dollars at the foreign exchange rate in accordance with the Trust's accounting policy.

(2) Includes amortization and write-off of financing costs of $2,316 and $1,065, respectively, and amortization and write-off of fair value adjustments on assumed debt of $(1,822).

Unsecured revolving credit facility

The $350,000 unsecured revolving credit facility with an accordion option limit of $150,000 in additional borrowing capacity bears interest at Canadian bankers' acceptance rates ("BA rates") plus 1.45% or Canadian prime rate plus 0.45% on Canadian dollar draws, U.S. London Interbank Offered Rate ("LIBOR") rate plus 1.45% or U.S. base rate plus 0.45% on U.S. dollar draws, or euro LIBOR rate plus 1.45% on euro draws. The unsecured revolving credit facility expires on May 14, 2024.

As at June 30, 2022, there were no amounts drawn on the unsecured revolving credit facility other than a letter of credit totalling $2,249, bringing the availability to $347,751. As at December 31, 2021, there were no amounts drawn on the unsecured revolving credit facility other than a letter of credit totalling $2,403, bringing the availability to $347,597.

Debt weighted average effective interest rates and maturity profile

As at June 30, 2022, the weighted average effective interest rate on total debt was 1.07% (December 31, 2021 – 0.91%). The weighted average effective interest rate includes the impact of fair value adjustments on assumed debt, financing costs and the impact of CCIRS.

The scheduled principal and interest repayments and debt maturities are as follows:

	Debt balance due at maturity	Scheduled principal repayments on debt maturing in future periods	Amount	Contractual interest payments	Total debt service requirements
Remainder of 2022	$ 20,201	$ 4,561	$ 24,762	$ 10,369	$ 35,131
2023	252,619	5,977	258,596	18,437	277,033
2024	493,875	3,242	497,117	13,422	510,539
2025	503,902	2,696	506,598	11,787	518,385
2026	450,000	2,794	452,794	8,021	460,815
2027–2030	469,118	7,760	476,878	7,719	484,597
Total	$ 2,189,715	$ 27,030	$ 2,216,745	$ 69,755	$ 2,286,500
Unamortized financing costs			(6,944)		
Unamortized fair value adjustments			3,253		
Total debt			$ 2,213,054		

Note 10

INCOME TAXES

The Trust is subject to corporate income taxes in Canada, Europe and the U.S. through the Trust's wholly owned Canadian subsidiary, European subsidiaries and a U.S. subsidiary.

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Current income tax expense	**$ (811)**	$ —	**$ (1,288)**	$ —
Deferred income tax expense, net	**(8,073)**	(6,211)	**(21,503)**	(10,160)
Deferred and current income taxes expense, net	**$ (8,884)**	$ (6,211)	**$ (22,791)**	$ (10,160)

Note 11

DERIVATIVES AND OTHER NON-CURRENT LIABILITIES

	Note	**June 30, 2022**	December 31, 2021
Tenant security deposits		**$ 26,970**	$ 24,879
Fair value of CCIRS	22	**180**	6,425
Fair value of interest rate swaps		**—**	2,748
Ground leases		**11,144**	12,030
Total		**$ 38,294**	$ 46,082

Note 12

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Six months ended June 30,					
	2022			2021		
	Opening balance January 1	**Net change during the period**	**Closing balance June 30**	Opening balance January 1	Net change during the period	Closing balance June 30
Unrealized gain (loss) on foreign currency translation of foreign operations, net of taxes	**$ (43,488)**	**$ (124,317)**	**$ (167,805)**	$ 21,909	$ (33,742)	$ (11,833)
Unrealized gain (loss) on hedge of net investment, net of taxes	**49,505**	**99,116**	**148,621**	(3,399)	22,747	19,348
Unrealized loss on cash flow hedge, net of taxes	**(435)**	**—**	**(435)**	(435)	—	(435)
Unrealized loss on interest portion of hedging derivatives, net of taxes	**(10,316)**	**(9,060)**	**(19,376)**	(220)	(8,888)	(9,108)
Share of other comprehensive income (loss) from equity accounted investment	**1,153**	**4,946**	**6,099**	(234)	(332)	(566)
Accumulated other comprehensive income (loss)	**$ (3,581)**	**$ (29,315)**	**$ (32,896)**	$ 17,621	$ (20,215)	$ (2,594)

Note 13

INVESTMENT PROPERTIES REVENUE

		Three months ended June 30,		Six months ended June 30,	
	Note	**2022**	2021	**2022**	2021
Rental income		**$ 75,085**	$ 59,275	**$ 146,353**	$ 114,030
Recoveries revenue		**13,538**	9,992	**28,050**	20,668
Property management and other income	20	**1,336**	—	**2,984**	—
Total		**$ 89,959**	$ 69,267	**$ 177,387**	$ 134,698

Note 14

FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Unrealized remeasurement of carrying value of subsidiary redeemable units	**$ 75,320**	$ (34,506)	**$ 95,356**	$ (39,515)
Unrealized remeasurement of carrying value of deferred trust units	**4,041**	(2,387)	**4,862**	(2,835)
Unrealized remeasurement of interest rate swaps	**4,881**	(443)	**11,685**	3,140
Loss on conversion of Subscription Receipts	**—**	(37,635)	**—**	(37,635)
Total	**$ 84,242**	$ (74,971)	**$ 111,903**	$ (76,845)

Note 15

NET LOSS ON TRANSACTIONS AND OTHER ACTIVITIES

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Internal leasing costs	**$ (1,073)**	$ (902)	**$ (2,164)**	$ (1,800)
Foreign exchange loss	**(3,404)**	(131)	**(3,414)**	(837)
Depreciation of property and equipment	**(1)**	(4)	**(5)**	(9)
Transaction costs on sale of investment properties	**(445)**	—	**(445)**	—
Total	**$ (4,923)**	$ (1,037)	**$ (6,028)**	$ (2,646)

Note 16

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 $0.175 in each of the three and six months ended June 30, 2022 and June 30, 2021.

The following table summarizes distributions paid and payable for the six months ended June 30, 2022 and June 30, 2021:

	Six months ended June 30,	
	2022	2021
Paid in cash	**$ (64,915)**	$ (48,388)
Paid by way of reinvestment in REIT Units	**(21,496)**	(13,203)
Less: Payable at December 31, 2021/December 31, 2020	**13,641**	8,905
Add: Payable at June 30, 2022/June 30, 2021	**(14,874)**	(12,239)
Total distributions paid and payable	**$ (87,644)**	$ (64,925)

The following table summarizes our monthly distributions paid and payable subsequent to June 30, 2022:

Date distribution announced	Record date	Date distribution was paid or is payable	Distribution per REIT A Unit	Total cash distributions paid	Total DRIP distributions
June 17, 2022	June 2022	July 15, 2022	$ 0.05833	$ 12,176	$ 2,698[(1)]

(1) $2,698 in distributions along with $81 in bonus distributions were reinvested in an additional 231,075 REIT Units (including 3% bonus distributions on Units reinvested pursuant to the DRIP).

On July 20, 2022, the Trust announced its July 2022 monthly distribution in the amount of $0.05833 per REIT Unit. The July 2022 distributions will be payable on August 15, 2022 to unitholders on record as at July 29, 2022.

Note 17

EQUITY

Public offerings of REIT Units

The following tables summarize the public offerings of REIT Units issued for the six months ended June 30, 2022 and June 30, 2021. Total costs related to the offerings were charged directly to unitholders' equity.

	Six months ended June 30, 2022			
Date of public offering	**Number of REIT Units**	**REIT Unit price**	**Gross proceeds**	**Issue costs**
March 9, 2022(1)	**14,110,500 $**	**16.30 $**	**230,001 $**	**9,850**

(1) Includes 1,840,500 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

	Six months ended June 30, 2021			
Date of public offering	Number of REIT Units	REIT Unit price	Gross proceeds	Issue costs
January 29, 2021(1)	20,240,000 $	12.80 $	259,072 $	11,062
April 26, 2021(2)	14,858,000	13.55	201,326	8,703
June 25, 2021(3)	20,987,500	13.70	287,529	6,204
Total	56,085,500	$	747,927 $	25,969

(1) Includes 2,640,000 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

(2) Includes 1,938,000 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

(3) Subscription receipts were issued on May 31, 2021 and exchanged for REIT Units on June 25, 2021. Includes 2,737,500 REIT Units issued pursuant to the exercise of the over-allotment option granted to the underwriters.

At-the-market equity program ("ATM Program")

On November 30, 2021, the Trust filed a prospectus supplement (the "ATM Program") which qualified the Trust to issue REIT Units up to an aggregate sale price of $250,000 to the public from time to time at prevailing market prices, directly on the TSX or on other permitted marketplaces to the extent permitted.

During the six months ended June 30, 2022, the Trust issued 5,477,800 REIT Units under this ATM Program at a weighted average price of $16.46 per REIT Unit for gross proceeds of $90,145. Total costs related to the issuance of these REIT Units amounted to $1,352 and was charged directly to unitholders' equity. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $88,793. During the second quarter, no units were issued under the ATM Program.

Since the beginning of this ATM Program dated November 30, 2021, the Trust has issued 7,300,000 REIT Units under this ATM Program at a weighted average price of $16.49 per REIT Unit for gross proceeds of $120,362. Total costs related to the issuance of these REIT Units amounted to $1,805. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $118,557.

Short form base shelf prospectus

On November 26, 2021, the Trust filed and obtained a receipt for a final short form base shelf prospectus dated November 26, 2021 that 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, or any combination thereof, having an aggregate offering price of up to $2,500,000.

Since the beginning of this base shelf prospectus dated November 26, 2021, the Trust has issued REIT Units under this base shelf prospectus totalling $350,363.

Note 18

SUPPLEMENTARY CASH FLOW INFORMATION

The components of other adjustments under operating activities include:

		Three months ended June 30,		Six months ended June 30,	
	Note	**2022**	2021	**2022**	2021
Change in straight-line rent	4	**$ (1,158)**	$ (499)	**$ (2,584)**	$ (813)
Deferred unit compensation expense, net		**1,144**	1,167	**1,995**	1,721
Deferred income tax expense, net	10	**8,073**	6,211	**21,503**	10,160
Interest on subsidiary redeemable units		**3,247**	3,247	**6,493**	6,493
Foreign exchange loss	15	**3,404**	131	**3,414**	837
Transaction costs on sale of investment properties	15	**445**	—	**445**	—
Total other adjustments		**$ 15,155**	$ 10,257	**$ 31,266**	$ 18,398

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Increase in amounts receivable	**$ (13,253)**	$ (2,469)	**$ (14,414)**	$ (2,163)
Increase in prepaid expenses and other assets	**(62)**	(2,072)	**(6,584)**	(2,853)
Decrease (increase) in derivatives and other non-current assets	**(1,172)**	88	**(1,230)**	242
Increase (decrease) in amounts payable and accrued liabilities	**18,910**	(2,021)	**6,522**	(2,643)
Increase in derivatives and other non-current liabilities	**2,494**	7,783	**3,409**	8,741
Increase in current income tax liabilities	**389**	—	**1,022**	—
Change in non-cash working capital	**$ 7,306**	$ 1,309	**$ (11,275)**	$ 1,324

Note 19

SEGMENTED INFORMATION

For the six months ended June 30, 2022 and June 30, 2021, the Trust's reportable operating segments of its investment properties and results of operations were segmented into the following geographic components: Ontario, Québec, Western Canada, Europe and the U.S.

The chief operating decision-maker, determined to be the CEO of the Trust, continues to take into consideration the operating performance of its retained interest in the U.S. portfolio after the sale to the U.S. Fund and in the properties held for developments sold to the Development JV when assessing the operating performance of the U.S. and Ontario segments. Effective July 1, 2021, the Trust's segmented income included the Trust's share of net rental income from the U.S. Fund while fair value adjustments on investment properties and internal leasing costs included in net loss on transactions and other activities exclude the equity accounted investment in the U.S. segment.

Effective April 29, 2022, the Trust's segmented income included the Trust's share of net rental income from the Development JV while fair value adjustments on investment properties and internal leasing costs included in net loss on transactions and other activities exclude the equity accounted investment in the Ontario segment.

The chief operating decision-maker also considers the performance of assets held for sale (except for those where the Trust will continue to retain an interest) and disposed properties separately from the investment properties in the geographic segments, and discontinued operations, as applicable, separately from the segmented income in the geographic segments.

The Trust did not allocate interest expense to the geographic segments since financing is viewed as a corporate function. The Trust's financing strategy is to optimize the overall borrowing costs and it is not typically determined on a segment basis. Similarly, other income, other expenses, fair value adjustments to financial instruments, net gain (loss) on transactions and other activities (excluding internal leasing costs), and income taxes were not allocated to the segments.

Three months ended June 30, 2022	Ontario	Québec	Western Canada	Europe	U.S.(1)	Segment total	Other(2)	Total
Investment properties revenue	**$ 24,845**	**$ 15,354**	**$ 17,414**	**$ 31,009**	**$ 4,378**	**$ 93,000**	**$ (3,041)**	**$ 89,959**
Investment properties operating expenses	**(5,987)**	**(3,478)**	**(6,277)**	**(5,036)**	**(864)**	**(21,642)**	**412**	**(21,230)**
Net rental income (segmented income)	**$ 18,858**	**$ 11,876**	**$ 11,137**	**$ 25,973**	**$ 3,514**	**$ 71,358**	**$ (2,629)**	**$ 68,729**
Fair value adjustments on investment properties(3)	**$ 20,271**	**$ 12,723**	**$ 1,978**	**$ (10,273)**	**$ —**	**$ 24,699**	**$ —**	**$ 24,699**
Net loss on transactions and other activities(4)	**(376)**	**(286)**	**(405)**	**(187)**	**—**	**(1,254)**	**(3,669)**	**(4,923)**

(1) U.S. includes the Trust's share of net rental income from the equity accounted investment while fair value adjustments on investment properties and internal leasing costs included in net loss on transactions and other activities excludes the equity accounted investment in the U.S. segment.

(2) Other includes properties sold, the reversal of net rental income from the equity accounted investment included in segmented income, net property management and other income, and items included in net gain (loss) on transactions and other activities that were not segmented.

(3) During the three months ended June 30, 2022, the Trust wrote off transaction costs associated with acquisitions in Canada, Europe and the U.S. totalling $20,699 and included in fair value adjustments on investment properties. The Ontario segment includes fair value adjustments of $608 on the two properties held for development sold to the Development JV. The U.S. segment excludes the equity accounted investment.

(4) Net loss on transactions and other activities allocated to the geographic segments represents internal leasing costs. The U.S. segment excludes the equity accounted investment.

Three months ended June 30, 2021	Ontario	Québec	Western Canada	Europe	U.S.(1)	Segment total	Other(2)	Total
Investment properties revenue	$ 18,104	$ 12,437	$ 16,441	$ 9,811	$ 12,431	$ 69,224	$ 43	$ 69,267
Investment properties operating expenses	(4,593)	(3,178)	(5,928)	(1,405)	(3,068)	(18,172)	—	(18,172)
Net rental income (segmented income)	$ 13,511	$ 9,259	$ 10,513	$ 8,406	$ 9,363	$ 51,052	$ 43	$ 51,095
Fair value adjustments on investment properties(3)	$ 176,165	$ 48,566	$ 6,181	$ (36,077)	$ 12,282	$ 207,117	$ —	$ 207,117
Net loss on transactions and other activities(4)	(257)	(179)	(368)	(76)	(22)	(902)	(135)	(1,037)

(1) U.S. includes all of the Trust's U.S. portfolio.

(2) Other includes properties sold during the prior year and items within net gain (loss) on transactions and other activities that were not segmented.

(3) During the three months ended June 30, 2021, the Trust wrote off transaction costs associated with acquisitions in Ontario, U.S. and Europe totalling $47,133 and included in fair value adjustments on investment properties.

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

Six months ended June 30, 2022	Ontario	Québec	Western Canada	Europe	U.S.(1)	Segment total	Other(2)	Total
Investment properties revenue	**$ 48,483**	**$ 29,985**	**$ 34,687**	**$ 61,249**	**$ 7,927**	**$ 182,331**	**$ (4,944)**	**$ 177,387**
Investment properties operating expenses	**(12,122)**	**(7,147)**	**(12,997)**	**(10,190)**	**(1,648)**	**(44,104)**	**759**	**(43,345)**
Net rental income (segmented income)	**$ 36,361**	**$ 22,838**	**$ 21,690**	**$ 51,059**	**$ 6,279**	**$ 138,227**	**$ (4,185)**	**$ 134,042**
Fair value adjustments on investment properties(3)	**$ 224,010**	**$ 122,772**	**$ 15,268**	**$ 23,345**	**$ —**	**$ 385,395**	**$ —**	**$ 385,395**
Net loss on transactions and other activities(4)	**(705)**	**(532)**	**(843)**	**(265)**	**—**	**(2,345)**	**(3,683)**	**(6,028)**

(1) U.S. includes the Trust's share of net rental income from the equity accounted investment while fair value adjustments on investment properties and internal leasing costs included in net loss on transactions and other activities excludes the equity accounted investment in the U.S. segment.

(2) Other includes properties sold, the reversal of net rental income from the equity accounted investment included in segmented income, net property management and other income, and items included in net gain (loss) on transactions and other activities that were not segmented.

(3) During the six months ended June 30, 2022, the Trust wrote off transaction costs associated with acquisitions in Canada, Europe and the U.S. totalling $28,713 and included in fair value adjustments on investment properties. The Ontario segment includes fair value adjustments of $34,252 on the two properties held for development sold to the Development JV. The U.S. segment excludes the equity accounted investment.

(4) Net loss on transactions and other activities allocated to the geographic segments represents internal leasing costs. The U.S. segment excludes the equity accounted investment.

Six months ended June 30, 2021		Ontario		Québec		Western Canada		Europe		U.S.[1]		Segment total		Other[2]		Total
Investment properties revenue	$	35,948	$	23,080	$	32,847	$	17,797	$	24,946	$	134,618	$	80	$	134,698
Investment properties operating expenses		(9,827)		(6,336)		(11,819)		(2,516)		(6,443)		(36,941)		—		(36,941)
Net rental income (segmented income)	$	26,121	$	16,744	$	21,028	$	15,281	$	18,503	$	97,677	$	80	$	97,757
Fair value adjustments on investment properties[3]	$	219,418	$	63,529	$	4,662	$	(22,981)	$	17,090	$	281,718	$	—	$	281,718
Net loss on transactions and other activities[4]		(529)		(351)		(724)		(153)		(43)		(1,800)		(846)		(2,646)

(1) U.S. includes all of the Trust's U.S. portfolio.

(2) Other includes properties sold during the prior year and items within net gain (loss) on transactions and other activities that were not segmented.

(3) During the six months ended June 30, 2021, the Trust wrote off transaction costs associated with acquisitions in Ontario, U.S. and Europe totalling $57,579 and included in fair value adjustments on investment properties.

(4) Net loss on transactions and other activities allocated to the geographic segments represents internal leasing costs.

Investment properties and equity accounted investments

Six months ended June 30, 2022		**Ontario**		**Québec**		**Western Canada**		**Europe**		**U.S.**		**Segment total**		**Other**		**Total**
Investment properties[1]	**$**	**2,236,529**	**$**	**1,066,475**	**$**	**694,372**	**$**	**2,409,625**	**$**	**—**	**$**	**6,407,001**	**$**	**—**	**$**	**6,407,001**
Capital expenditures[2]		**15,998**		**10,870**		**12,003**		**39,086**		**—**		**77,957**		**—**		**77,957**
Equity accounted investments		**30,661**		**—**		**—**		**—**		**272,562**		**303,223**		**—**		**303,223**

(1) The Ontario segment and Western Canada segment include $62,061 and $25,902, respectively, of properties held for development. The U.S. segment excludes equity accounted investment.

(2) Includes building improvements, lease incentives and initial direct leasing costs. The Ontario segment and Western Canada segment include $6,157 and $215, respectively, of capitalized interest and other pre-development costs. The U.S. segment excludes the equity accounted investment.

Year ended December 31, 2021		Ontario		Québec		Western Canada		Europe		U.S.		Total
Investment properties[1]	$	1,921,628	$	922,168	$	642,098	$	2,210,713	$	—	$	5,696,607
Capital expenditures[2]		13,433		20,471		15,607		11,602		2,437		63,550
Equity accounted investment		—		—		—		—		139,355		139,355

(1) The Ontario segment includes $77,641 of properties held for development. The U.S. segment excludes equity accounted investment.

(2) Includes building improvements, lease incentives and initial direct leasing costs. The Ontario segment includes $1,103 of capitalized interest and other pre-development costs. The U.S. segment excludes the equity accounted investment.

Note 20

RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

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

Agreements with DAM

Under the AMA between the Trust and DAM, DAM provides certain asset management services to the Trust and its subsidiaries. The AMA provides the Trust and DAM the opportunity to agree on additional services to be provided to the Trust for which DAM is to be reimbursed on a cost-recovery basis.

The following table summarizes our fees paid to or received from DAM and its affiliates for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Incurred under the North American AMA and European AMA:				
Asset management fee (included in general and administrative expenses)	**$ (3,173)**	$ (1,937)	**$ (6,116)**	$ (3,662)
Asset management fee (included in properties under development)	**(25)**	—	**(25)**	—
Acquisition fee (included in investment properties)	**(2,000)**	(7,210)	**(3,572)**	(8,803)
Capital expenditures fee (included in investment properties)	**(1,082)**	—	**(1,432)**	—
Expense reimbursements related to financing arrangements	**(172)**	(193)	**(347)**	(433)
Total costs incurred under the North American AMA and European AMA	**$ (6,452)**	$ (9,340)	**$ (11,492)**	$ (12,898)
Total costs incurred under the Shared Services and Cost Sharing Agreement	**$ (370)**	$ (181)	**$ (670)**	$ (293)

Effective January 1, 2022, the Trust amended its asset management agreement with DAM, to clarify certain definitions and simplify the administration of the agreement.

The principal amendments to the agreement included:

- Change in fiscal year to calendar year to align with the Trust's year-end;
- Funds from operations per Unit ("FFO per Unit") replacing adjusted funds from operations per Unit ("AFFO per Unit") in calculations;
- Incorporation of development activities so the historical purchase price of the properties for the purposes of determining certain fees now includes development costs; and
- Separate contracts for North America ("North American AMA") and Europe ("European AMA") to align with the Trust's expansion into Europe.

The overall economics to the Trust and DAM due to the separation of the contracts for North America and Europe will approximate the aggregate fees payable under the prior agreement, as described in more detail below.

North American AMA

The North American AMA entitles DAM to the same fees as the original AMA in respect of the Trust’s North American properties: a base annual management fee, capital expenditure fee, acquisition fee, financing fee and incentive fee. The incentive fee calculation has been modified to be based on an amount equal to 15% of the Trust's FFO per Unit from the Trust’s North American investment properties and gains on the disposition of any North American investment properties in the year in excess of the North American hurdle amount (the “North American Hurdle Amount”), multiplied by the number of Units outstanding, less the amount of any shortfall in the Incentive Distribution (as defined below) in respect of the European portfolio as described below. The North American Hurdle Amount was initially set as at January 1, 2020 as the product of (i) $0.95 per Unit (increasing annually by 50% of the increase in the consumer price index ($0.98 as of January 1, 2022)) multiplied by (ii) the proportion of the Trust’s total portfolio represented by the North American investment properties (based on the historic cost of the Trust’s investment properties).

The North American 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 North American AMA may be terminated by DAM at any time after the initial term. Other than in respect of termination resulting from certain events of default of DAM, on termination of the North American AMA, all accrued fees under the North American AMA, including the incentive fee, become payable to DAM. In such circumstances, or if the Trust is acquired, the incentive fee is calculated as if all the Trust’s North American investment properties were sold on the applicable date.

European AMA

The European AMA applies only to the Trust's European investment properties. Under the European AMA, a subsidiary of DAM ("Europe Asset Manager") is entitled to a base annual management fee, capital expenditure fee, acquisition fee and financing fee. In addition, a subsidiary of DAM ("DAM Europe") holds LP Class B Units of a subsidiary of the Trust through which the Trust holds the European investment properties. These LP Class B Units entitle DAM Europe to an annual distribution (the "Incentive Distribution") equal to 15% of the Trust's European FFO per Unit in excess of the Europe hurdle amount (the "Europe Hurdle Amount"), multiplied by the number of Units outstanding. The calculation of the European FFO per Unit includes the Trust's FFO from the European investment properties and gains on the disposition of any European investment properties in the year. The Europe Hurdle Amount was initially set as at January 1, 2020 as the product of (i) $0.95 per Unit (increasing annually by 50% of the increase in the consumer price index ($0.98 as of January 1, 2022)) multiplied by (ii) the proportion of the Trust's total portfolio represented by the European investment properties (based on the historic cost of the Trust's investment properties).

The European AMA has an initial term ending December 31, 2026 and is automatically renewed for further five-year terms unless and until terminated in accordance with its terms. The European AMA may be terminated by the Europe Asset Manager at any time after the initial term ends on December 31, 2026. Other than in respect of termination resulting from certain events of default of the Europe Asset Manager, on termination of the European AMA, all accrued fees under the European AMA become payable to the Europe Asset Manager. In such circumstances, or upon an acquisition of control of the Trust's subsidiary through which the Trust holds its European investment properties, the LP Class B Units will be redeemed at a redemption price equal to the Incentive Distribution calculated as if all of the European investment properties were sold at the applicable date.

Disposition gains in the Trust's FFO per Unit and European FFO per Unit calculations used for determining the incentive fee and Incentive Distribution are based on the fair value (or actual disposition value) of the Trust's North American and European investment properties, respectively, at the applicable date, relative to their historic purchase price. As at June 30, 2022, the historic purchase price for the Trust's North American and European investment properties was $2.7 billion and $2.5 billion, respectively.

As at June 30, 2022, no incentive fee under the North American AMA has been paid or is payable by the Trust to DAM.

As at June 30, 2022, the fair value of the LP Class B Units held by DAM Europe was $nil and no Incentive Distribution has been paid or is payable by the Trust to DAM Europe.

The amount of the North American incentive fee payable by the Trust and the Incentive Distribution and the redemption price of the LP Class B Units on any date will be contingent upon various factors, including, but not limited to, changes in the Trust's FFO (as defined in the North American AMA) and changes in the European FFO, 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.

Agreement and transactions with Dream Office REIT

The following table summarizes the costs reimbursed to Dream Office REIT for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Total costs reimbursed under the Services Agreement	**$ (1,772)**	$ (1,437)	**$ (3,750)**	$ (2,761)

The following table summarizes our distributions paid and payable to subsidiaries of Dream Office REIT for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Distributions paid and payable to Dream Office REIT on subsidiary redeemable units	**$ (3,247)**	$ (3,247)	**$ (6,493)**	$ (6,493)
Distributions paid and payable to Dream Office REIT on REIT Units	**(1,409)**	(1,409)	**(2,818)**	(2,818)
Distributions paid and payable to Dream Office REIT	**$ (4,656)**	$ (4,656)	**$ (9,311)**	$ (9,311)

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

The following table summarizes our fees paid and costs reimbursed to an affiliate of PAULS Corp for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Total costs incurred under the Property Management Agreement[1]	**$ —**	$ (370)	**$ —**	$ (977)
Pre-development cost recovery/development fee	**—**	(177)	**—**	(186)
Total costs incurred under the Property Management Agreement	**$ —**	$ (547)	**$ —**	$ (1,163)
Total costs incurred under the Sub Property Management Agreement[2]	**$ (43)**	$ —	**$ (118)**	$ —

(1) Amounts include financing fees, leasing fees, and cost recovery for property management and portfolio management.

(2) Amounts include cost recovery for property management, leasing expenses and construction management.

Agreements with the U.S. Fund

The following table summarizes our fees earned from the U.S. Fund for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Total fees earned under the Property Management Agreement[1]	**$ 1,336**	$ —	**$ 2,984**	$ —

(1) Amounts include management fees, construction fees, leasing fees, and cost recovery for property management and accounting.

The following table summarizes our distributions received and receivable from the U.S. Fund for the three and six months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Total distributions received and receivable from the U.S. Fund	**$ 1,077**	$ —	**$ 2,152**	$ —

Amounts due from (to) related parties

Amounts due from related parties	**June 30, 2022**	December 31, 2021
DAM	**$ 41**	$ 91
U.S. Fund[1]	**2,571**	1,201

(1) As at June 30, 2022, the balance includes $1,077 of distribution receivable from the U.S. Fund (December 31, 2021 – $967).

Amounts due to related parties	**June 30, 2022**	December 31, 2021
DAM	**$ (9,159)**	$ (6,993)
Dream Office REIT	**(632)**	(916)
PAULS Corp	**(47)**	(118)

Distributions and interest payable to Dream Office REIT

	June 30, 2022	December 31, 2021
Interest payable on subsidiary redeemable units to Dream Office REIT[1]	**$ (1,082)**	$ (1,082)
Distributions payable to Dream Office REIT[2]	**(470)**	(470)

(1) Interest payable on subsidiary redeemable units is in relation to the 18,551,855 subsidiary redeemable units held by Dream Office REIT as at June 30, 2022 and December 31, 2021.

(2) Distributions payable is in relation to the 8,052,451 REIT Units held by Dream Office REIT as at June 30, 2022 and December 31, 2021.

Note 21

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.

As at June 30, 2022, the Trust's remaining contractual commitments related to construction and development projects amounted to $41,072 (December 31, 2021 – $17,467).

On January 6, 2022 and April 1, 2022, the Trust funded capital contributions to the U.S. Fund totalling US$21,896 and US$48,441, respectively, reducing the contractual commitment of capital contributions to US$9,731 as at June 30, 2022.

Note 22

OTHER FINANCIAL INSTRUMENTS

Cross-currency interest rate swap arrangements

The following table summarizes the Trust's CCIRS arrangements outstanding as at June 30, 2022 and December 31, 2021:

	Euro notional amount	U.S./Canadian dollar notional amount	Maturity date	Financial instrument measurement	**June 30, 2022** Fair value assets (liabilities)	December 31, 2021 Fair value assets (liabilities)
Canadian dollar to euro CCIRS – Series A Debentures[1]	€ 161,499	$ 250,000	December 22, 2025	Fair value through other comprehensive income	$ **24,384**	$ 12,070
Canadian dollar to euro CCIRS – Reopening Series A Debentures[2]	135,474	200,000	December 22, 2025	Fair value through other comprehensive income	**12,425**	1,931
Canadian dollar to euro CCIRS – Series B Debentures[3]	135,750	200,000	June 17, 2024	Fair value through other comprehensive income	**15,857**	4,573
Canadian dollar to euro CCIRS – Series C Debentures[4]	271,499	400,000	June 17, 2027	Fair value through other comprehensive income	**26,472**	4,711
Canadian dollar to euro CCIRS – Series D Debentures[5]	174,544	250,000	December 7, 2026	Fair value through other comprehensive income	**15,234**	1,672
Canadian dollar to euro cross-currency interest rate swap – Series E Debentures[6]	143,926	200,000	April 13, 2026	Fair value through other comprehensive income	**5,771**	—
U.S. dollar to euro CCIRS – U.S. term loan[7][8]	127,108	150,000	January 31, 2024	Fair value through other comprehensive income	**25,547**	7,557
Total	€ 1,149,800				$ **125,690**	$ 32,514

(1) The interest rate associated with the euro notional amount is 0.489%. The interest rate associated with the Canadian dollar notional amount is 1.662%.

(2) The interest rate associated with the euro notional amount is 0.294%. The interest rate associated with the Canadian dollar notional amount is 1.662%.

(3) The interest rate associated with the euro notional amount is three-month Euro Interbank Offered Rate ("EURIBOR") plus 0.5608%. The interest rate associated with the Canadian dollar notional amount is three-month CDOR plus 0.35%.

(4) The interest rate associated with the euro notional amount is 0.547%. The interest rate associated with the Canadian dollar notional amount is 2.057%.

(5) The interest rate associated with the euro notional amount is 0.541%. The interest rate associated with the Canadian dollar notional amount is 2.539%.

(6) The interest rate associated with the euro notional amount is 2.041%. The interest rate associated with the Canadian dollar notional amount is 3.968%.

(7) The interest rate associated with the euro notional amount is 0.857%. The interest rate associated with the U.S. dollar notional amount is a variable rate using LIBOR plus spread.

(8) This swap arrangement is bifurcated into a cash flow and net investment hedge for the purpose of hedge accounting. As at June 30, 2022, the fair value asset of the net investment hedge portion is $25,727 and the fair value liability of the cash flow hedge portion is $(180). As at December 31, 2021, the fair value asset of the net investment hedge portion was $13,982 and the fair value liability of the cash flow hedge portion was $(6,425).

Note 23

FAIR VALUE MEASUREMENTS

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

	Note		Carrying value as at June 30, 2022	Fair value as at June 30, 2022 Level 1		Level 2		Level 3
Financial instruments at amortized cost								
Mortgages	9	**$**	**526,772**	**$ —**	**$**	**—**	**$**	**527,349**
Unsecured debentures	9		**1,493,693**	**—**		**1,371,445**		**—**

	Note		Carrying value as at December 31, 2021	Fair value as at December 31, 2021 Level 1		Level 2		Level 3
Financial instruments at amortized cost								
Mortgages	9	$	561,681	$ —	$	—	$	567,477
Unsecured debentures	9		1,294,074	—		1,288,679		—

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. The unsecured revolving credit facility and unsecured term loan are carried at amortized cost, which approximates fair value given that these financial instruments have variable interest rates. In addition, subsidiary redeemable units and the Deferred Unit Incentive Plan ("DUIP") are carried at amortized cost, which approximates fair value as they are readily redeemable financial instruments.

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 Trust measures its derivatives at fair value on a recurring basis. As at June 30, 2022, these have been classified as Level 2 in the fair value measurement hierarchy. The fair value measurements of the interest rate and cross-currency interest rate swaps are calculated internally using external data provided by qualified professionals. These are based on the present value of the estimated future cash flows determined using observable yield curves and foreign currency rates as applicable.

Note 24

SUBSEQUENT EVENT

Subsequent to June 30, 2022, the Trust completed the following acquisition:

		Fair value of investment property(1)	Date acquired
Verler Strasse 430, Gütersloh, Germany(2)	$	23,014	July 20, 2022
Total	$	23,014	

(1) Fair value of investment property is as at the acquisition date and excludes transaction costs.

(2) Acquisition in Europe was settled in euros and translated into Canadian dollars as at the transaction date.

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