dream industrial REIT

Dream Industrial REIT

Q3 Report 2024

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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		
	September 30, 2024	December 31, 2023	September 30, 2023
Total portfolio			
Number of assets[1][2]	**338**	344	322
Investment properties fair value	**$ 7,057,150**	$ 6,924,274	$ 6,854,490
Gross leasable area ("GLA") (in millions of sq. ft.)[2]	**71.9**	71.4	70.6
Occupancy rate – in-place and committed (period-end)[3]	**95.5%**	96.2%	97.2%
Occupancy rate – in-place (period-end)[3]	**95.1%**	96.0%	96.9%
Average in-place and committed base rent per sq. ft. (period-end)[4]			
Canadian portfolio	**$ 10.33**	$ 9.54	$ 9.37
European portfolio (€)	**€ 5.64**	€ 5.49	€ 5.42
Estimated market rent to in-place and committed base rent spread (%) (period-end)[4]			
Canadian portfolio	**37.5%**	46.1%	47.7%
European portfolio	**7.6%**	8.6%	7.9%
Weighted average lease term ("WALT") (years)[4]	**4.3**	4.2	4.4

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Operating results				
Net rental income	**$ 90,498**	$ 84,504	**$ 264,013**	$ 248,999
Comparative properties net operating income ("NOI") (constant currency basis)[3][5]	**94,748**	91,708	**264,292**	251,391
Net income	**13,829**	50,494	**149,976**	113,116
Funds from operations ("FFO")[5]	**74,031**	69,395	**214,387**	205,348
Per Unit amounts				
FFO – diluted[6][7]	**$ 0.26**	$ 0.25	**$ 0.75**	$ 0.74
Distribution rate	**$ 0.17**	$ 0.17	**$ 0.52**	$ 0.52

			As at	
		September 30, 2024	December 31, 2023	September 30, 2023
Financing				
Credit rating – DBRS		**BBB (mid)**	BBB (mid)	BBB (mid)
Net total debt-to-total assets (net of cash and cash equivalents) ratio(6)		**36.3%**	36.0%	35.1%
Net total debt-to-normalized adjusted EBITDAFV ratio (years)(6)		**8.0**	7.7	8.2
Interest coverage ratio (times)(6)		**5.2**	6.0	6.7
Weighted average face interest rate on debt (period-end)(8)		**2.48%**	2.35%	2.33%
Secured debt as a percentage of total assets(9)		**6.0%**	7.4%	7.3%
Unencumbered investment properties (period-end)(9)	**$**	**5,804,256**	$ 5,401,880	$ 5,336,243
Unencumbered investment properties as a percentage of investment properties(9)		**82.2%**	78.0%	77.9%
Total assets	**$**	**8,080,379**	$ 7,858,340	$ 7,852,450
Cash and cash equivalents	**$**	**78,703**	$ 49,916	$ 64,948
Available liquidity(5)	**$**	**820,476**	$ 491,868	$ 526,655
Capital				
Total equity (per condensed consolidated financial statements)	**$**	**4,660,680**	$ 4,574,897	$ 4,625,404
Total equity (including LP B Units)(5)	**$**	**4,853,404**	$ 4,761,215	$ 4,796,774
Total number of Units (in thousands)(10)		**290,022**	286,590	285,469
Net asset value ("NAV") per Unit(6)	**$**	**16.73**	$ 16.61	$ 16.80
Unit price	**$**	**14.44**	$ 13.96	$ 12.84

(1) Number of assets comprises a building or a cluster of buildings in close proximity to one another, attracting similar tenants. The number of assets within the Dream Summit JV (defined below) portfolio for the comparative periods following acquisition has been updated to reflect revised cluster definitions within this portfolio.

(2) Includes the Trust's owned and managed properties as at September 30, 2024, December 31, 2023 and September 30, 2023. Managed properties include assets held in a joint venture between GIC and the Trust in which the Trust has a 10% interest (the "Dream Summit JV") and U.S. assets held in a private 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 investments as at September 30, 2024, December 31, 2023 and September 30, 2023.

(4) Excludes the Trust's share of equity accounted investments in the U.S. Fund and Dream Summit JV as at September 30, 2024, December 31, 2023 and September 30, 2023.

(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.

(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.

(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 ("CCIRS") as at period-end.

(9) 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 "Supplementary Financial Measures and Ratios and Other Disclosures" for a description of these supplementary financial measures.

(10) Total number of Units includes 13.3 million LP B Units that are classified as a liability under IFRS Accounting Standards.

BUSINESS UPDATE

Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT", "REIT", "DIR" or the "Trust") continued 2024 with a strong third quarter. Leasing momentum for our well-located assets and recently completed developments remains strong with approximately 1.9 million square feet of leases signed at an average rental rate spread of 25.3% (38.6% on 1.2 million square feet in Canada) since the beginning of the quarter and solid occupancy levels at 95.5% across our portfolio as at the end of the quarter. We continued to execute on our development pipeline by completing our Courtneypark redevelopment project in Mississauga, Ontario, which was fully leased starting in September 2024. We are moving forward to refurbish and expand our 225,000 square foot property in Montréal, Québec to convert the property to a functional multi-tenant property. We advanced our solar program and substantially completed one project in the Netherlands during the quarter, with an additional 29 potential projects under feasibility assessments in Canada and across Europe. Our execution of growth opportunities within our portfolio has allowed us to generate strong year-over-year comparative properties NOI ("CP NOI") (constant currency basis) growth of 3.3% and net rental income growth of 7.1%. For the quarter, we delivered FFO per Unit of $0.26 and year-over-year growth of 4.1%.

After a full year of our integration of the Dream Summit JV, our property management platform continues to grow. During the quarter, the Dream Summit JV completed expansion and development projects located in Chambly, Québec and Guelph, Ontario, respectively, totalling 0.2 million square feet.

We continue to maintain significant financial flexibility and addressed all of our 2024 debt maturities with the repayment of our European mortgage maturity in August. During the quarter, we enhanced our liquidity profile by extending the maturity date of our $200 million Unsecured Term Loan by two years from February 2026 to March 2028, and by upsizing our unsecured revolving credit facility from $500 million to $750 million, while maintaining the $250 million accordion option. At the end of the quarter, our total net debt-to-total assets (net of cash and cash equivalents) ratio was 36.3% and total available liquidity was $820.5 million (composed of cash and cash equivalents of $78.7 million and undrawn capacity on our unsecured revolving credit facility of $741.8 million), positioning us well to address our near-term debt maturities and execute on our strategic capital deployment opportunities.

Operations update

Continued strong leasing momentum at attractive rental spreads – Since the end of Q2 2024, we have transacted over 1.9 million square feet of leases across our portfolio at an average rental rate spread of 25.3% over prior or expiring rents.

- In Canada, we signed 1.2 million square feet of leases, achieving an average rental rate spread to expiry of 38.6% and an average annual contractual rent growth of over 3.0%.
- In Europe, we signed 0.7 million square feet of leases at an average rental rate spread of 9.9%. All of the leases are fully indexed to local consumer price indices ("CPI") or have contractual rent steps.

As at September 30, 2024, estimated market rents exceeded the average in-place rent by approximately 30% across our wholly-owned portfolio.

Solid pace of CP NOI (constant currency basis) growth – CP NOI (constant currency basis) for the three and nine months ended September 30, 2024 was $94.7 million and $264.3 million, respectively. For the same periods in 2023, CP NOI (constant currency basis) was $91.7 million and $251.4 million, respectively. This represents an increase of 3.3% for the three months ended September 30, 2024 and 5.1% for the nine months ended September 30, 2024, compared to the prior year comparative periods.

The Canadian portfolio posted year-over-year CP NOI (constant currency basis) growth of 5.9% for the three months ended September 30, 2024, driven by 8.9%, 4.4% and 1.2% CP NOI growth in Ontario, Québec and Western Canada, respectively.

In Europe, year-over-year CP NOI (constant currency basis) decreased by 0.5% for the three months ended September 30, 2024. The slight decrease was driven by transitory vacancies in Spain and Germany. For the nine months ended September 30, 2024, CP NOI (constant currency basis) growth was 1.9%, driven by higher rental rates on new and renewed leases, in addition to CPI indexation.

Healthy occupancy levels – Our in-place and committed occupancy was 95.5% as at September 30, 2024, compared to 95.4% as at June 30, 2024. We continue to be in active discussions with prospective tenants and we expect significant opportunities to capture strong income growth as spaces are leased.

During the quarter, we signed a 10-year lease on the remaining 70,000 square feet of space at our Abbotside development in Caledon, Ontario with rent having commenced in September. We achieved an attractive starting rent of $18.50 per square foot with approximately 4% annual contractual rent steps. The project is now fully occupied.

In Ontario, we signed a new lease in the Greater Toronto Area ("GTA") for 98,000 square feet with a 5-year term at a starting rent of $18.00 per square foot with approximately 3.5% annual contractual rent steps. Furthermore, we signed a renewal at our 82,000 square foot property in Brampton at an annual rent of $18.25 per square foot and 3.75% annual contractual rent steps, nearly 120% higher than the prior expiring rent.

In Alberta, we signed a 10-year lease at our 50-acre development project in Balzac for 296,000 square feet commencing in March 2025 with a starting rent of $9.75 per square foot and 2.5% annual contractual rent steps.

In Germany, we signed a 10-year lease at our 189,000 square foot property at a starting rent of €4.35 per square foot, over 20% spread to expiring rent. The lease is fully indexed to CPI.

Continued growth in net rental income for the quarter – Net rental income for the three and nine months ended September 30, 2024 was $90.5 million and $264.0 million, respectively, representing an increase of $6.0 million, or 7.1%, and $15.0 million, or 6.0%, relative to the comparative prior year periods. For the quarter, year-over-year net rental income increased by 15.6% in Ontario, 14.1% in Québec, 2.6% in Western Canada and 3.3% in Europe, excluding disposed investment properties. The increase was mainly driven by strong CP NOI (constant currency basis) growth in 2024, early lease renewals and lease-up at our development projects.

Investment update – During the quarter, we completed the disposition of a non-strategic asset totalling 31,000 square feet located in the Netherlands for total gross proceeds of $4 million, representing an 8% premium over carrying value. Subsequent to the quarter, we completed the disposition of an asset in Montréal, Québec totalling 89,000 square feet for total gross proceeds of $20.3 million, representing a 17% premium over carrying value.

Additionally, we are currently under contract to acquire $226 million ($35 million at our share) of assets located across Canada, including a 32-acre development site in Brampton, Ontario, within the Development JV.

Subsequent to the quarter, the Dream Summit JV disposed of a non-strategic asset totalling 128,000 square feet located in the GTA for total gross proceeds of $48.7 million.

Capital strategy – We continue to maintain significant financial flexibility as we execute on our strategic initiatives. Our proportion of secured debt is 6.0% of total assets and represents 16.4% of total debt (a non-GAAP financial measure; see the "Non-GAAP Financial Measures" section for additional information). Our unencumbered asset pool totalled $5.8 billion as at September 30, 2024, representing 82.2% of our investment properties value as at September 30, 2024.

In July, we extended the maturity date of our $200 million Unsecured Term Loan by two years from February 2026 to March 2028 to match the associated cross-currency interest rate swap. The loan was swapped last year to a fixed rate of 4.85% out to March 2028 and no changes were made to the rate or other substantive terms. Furthermore, we upsized our unsecured revolving credit facility from $500 million to $750 million and extended the maturity to August 2029, further enhancing our liquidity profile.

We ended Q3 2024 with available liquidity of $820.5 million, including $78.7 million of cash and cash equivalents, and an additional $250 million that could be exercised through the accordion on our unsecured credit facility. Our net total debt-to-total assets (net of cash and cash equivalents) ratio was 36.3% as at September 30, 2024, compared to 36.0% as at December 31, 2023.

Sustainability update

Our renewable energy platform continues to be a growth driver for the portfolio, generating an accretive revenue stream and attractive long-term returns, in alignment with our sustainability goals. We have successfully established a rooftop solar program in Alberta and the Netherlands, and we are actively pursuing expansion into new markets in Ontario, Germany, France and Spain.

We continue to add scale to our rooftop solar program in existing markets. In the quarter a solar project located in The Hague, Netherlands with a system capacity of 3.4 megawatts ("MW") achieved substantial completion. In addition, feasibility assessments are currently underway for 29 potential projects in Canada and across Europe with a potential system capacity of 50 MW. Including these 29 projects, we have identified a medium-term pipeline of potential solar projects, in which approximately $200 million of capital investments could create over 150 MW of system capacity, with a targeted yield on cost of between 8%-10%.

We have an active pipeline of green building certifications that are underway. During the quarter our Marie-Curie Boulevard property in Montréal, Québec, achieved Leadership in Energy and Environmental Design ("LEED") v4.1 Gold, Building Operations and Maintenance: Existing Buildings Recertification for the 753,000 square foot building, inclusive of the expansion areas.

We completed our third annual GRESB Real Estate Assessment, with the results released in October 2024. We maintained a 2 Star rating, and increased our results score to 68 points, which can be attributed to excellent performance in Leadership, Policies, and Targets as well as improvements from the 2023 score in the Reporting, Tenants & Community, Energy, GHG, and Water modules.

Green financing instruments support our sustainability strategy and enhance our access to capital. We have issued $846 million in net proceeds from Green Bonds to support our corporate strategy. In the quarter, we issued our Green Bond Use of Proceeds Report for the year ended December 31, 2023, which provides details of $708 million in capital investments that have been deployed towards eligible green buildings and projects from 2021 to 2023. In 2024, approximately $200 million in eligible projects are expected to be completed, and $110 million of projects are either underway or in preliminary stages for completion in 2025 and beyond.

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, 2023 and the unaudited condensed consolidated financial statements of Dream Industrial REIT and the accompanying notes for the three and nine months ended September 30, 2024. The annual consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the unaudited condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", 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 President and Chief Executive Officer ("CEO") of the Trust, also considers the performance of assets held for sale (except for those where we 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 November 5, 2024. 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 continued evaluation of investments that meet our objectives; the Dream Summit JV, including its continued growth, the status of new leases and renewals, development pipeline, and our intention to advance projects over time; the opportunities provided by private capital partnerships and associated expected revenue growth; debt maturities and the refinancing thereof; our ability to execute on our strategic capital deployment opportunities; the Trust's goal of delivering strong total returns to our unitholders through secure distributions as well as growth in net asset value and cash flow per unit underpinned by our high-quality portfolio and an investment grade balance sheet; the Trust's expectations relating to the benefits to be realized from demand drivers for industrial space; the commencement of certain leases, the average spread thereof, the status of leasing discussions, and lease maturities; the Trust's ability to achieve strong rental growth over time through inclusion of contractual annual rate escalators to its leases and as it sets rents on expiring leases as market rents continue to increase across the Trust's operating markets, and the expected increase of comparative properties NOI as a result thereof; the expectation that short-term leases generally have lower costs than long-term leases; expectations regarding tenant prospects; our development and acquisition pipelines and opportunities provided therefrom; potential dispositions and the details thereof; our development joint venture (the "Development JV") with a sovereign wealth fund and the intention of the Development JV to hold properties following stabilization; expectations regarding cash flow and cash distributions, and the expected variations of income and other metrics; expectations regarding the timing of execution of the Trust's acquisition strategy and asset recycling and redevelopment of capital raised from equity offerings; the Trust's intention and ability to fund any potential distribution 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 Distribution Reinvestment Program and Unit Purchase Plan; the Trust's strategy of growing and upgrading the quality of its portfolio by investing in target markets; statements regarding the current or expected quality and opportunities in respect of the Trust's assets, including assets under development or redevelopment; the Trust’s portfolio strategy and commitments, and its 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, and expected benefits thereof; the expectation that services provided to the U.S. Fund will generate a fee income 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 leverage ratio, liquidity levels, borrowing costs, foreign currency hedging and 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, including the expected increase in site density resulting from intensification projects, and other details regarding such projects and plans; anticipated development yields, including unlevered yields, development costs, contribution of net operating income of projects, completion timelines and the Trust’s total assets it expects to have under active development; expected occupancy; the implementation of environmental, social and governance (”ESG”) and sustainability initiatives, including the achievement of sustainability targets and allocation of capital to green initiatives and expansion of renewable and clean power platforms; the pipeline of our green building certifications; the use of Green Bonds proceeds; the feasibility and completion of eligible green projects, including our green project pipeline; the feasibility, implementation, results, yield and other expected benefits, capital commitments, and completion timelines in respect of the Trust’s solar power projects; the Trust’s conservative financial policy and expected flexibility and strength of its balance sheet; expectations regarding our credit rating and sources of debt; 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 sufficiency of our liquidity and capital resources to fulfill the Trust’s ongoing obligation; 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”, “can”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “could”, “likely”, “plan”, “schedule”, “timeline”, “forecast”, “potential”, “seek”, “target”, “project”, “budget”, “continue”, “indicate”, “prospect”, and positive and negative variations 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; the 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; risks related to a potential economic slowdown in the jurisdictions in which we operate and the effect inflation and any such economic slowdown may have on market conditions and lease rates; uncertainties surrounding public health crises and epidemics; 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 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 that are uninsurable under any insurance policy; cyber security risks; our ability to sell investment properties at a price that reflects our current estimates of 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, assumptions regarding general economic conditions; local real estate conditions; timely leasing of vacant space and re-leasing of occupied space upon expiry; tenants' financial condition; acquisition activity; our ability to integrate acquisitions; inflation and interest rates that materially increase beyond current market expectations; valuation assumptions including market rents, leasing costs, vacancy rates, discount rates and cap rates; changes to historically low rates and rising replacement costs in the Trust's operating markets and increases in market rents; availability of equity and debt financing; our continued compliance with the real estate investment trust ("REIT") exemption under the specified investment flow-through trust ("SIFT") legislation; and other assumptions and risks and factors described from time to time in the documents filed by the Trust with securities regulators.

All forward-looking information is as of November 5, 2024. 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 owner, manager and operator of a global portfolio of well-located, diversified industrial properties. As at September 30, 2024, we have an interest in and manage a portfolio which comprises 338 assets (545 buildings) totalling approximately 71.9 million square feet of GLA in key markets across Canada, Europe and the U.S. Our goal is to deliver strong total returns to our unitholders through secure distributions as well as growth in net asset value and cash flow per unit underpinned by our high-quality portfolio and an investment grade balance sheet. Dream Industrial REIT is an unincorporated open-ended real estate investment trust. 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 NAV 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 NAV growth potential. When evaluating potential acquisitions, we consider a variety of criteria, including expected cash flow returns; replacement cost of the asset; their location, functionality and appeal to future tenants; the 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 NOI and NAV 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 150 real estate professionals highly experienced in leasing, operations and portfolio management operating out of 10 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.

Recurring management revenue

Through our private capital partnerships, we are able to leverage our local operating platforms and generate recurring revenue from property management and leasing services. We expect the revenue from this business to grow as the underlying cash flows in these partnerships grow, both organically and through active asset management.

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 recognize that investing in sustainability is a key driver of creating long-term value for our stakeholders. Our approach to sustainability aims to uncover opportunities to enhance asset value, incorporate energy management initiatives into capital expenditures, increase energy efficiency throughout our portfolio and lower operational costs.

To reflect the continued integration of ESG across our business and to ensure that non-financial considerations such as ESG objectives are included alongside financial considerations, our sustainability practices focus on: (i) increased data collection, verification and disclosure; (ii) communicating our strategy to reach net zero; 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 the promotion of healthy workplaces and lifestyles; (ii) active commitment to the community and local charitable organizations; and (iii) commitment to tenant satisfaction and engagement. Our governance highlights include: (i) a diverse and experienced Board of Trustees with a majority of independent trustees; (ii) strong governance and transparency in all aspects of our business; and (iii) governance policies ensuring formal oversight and accountability of ESG matters at the Board level.

SECTION II

OUR ASSETS

Dream Industrial REIT owns, manages and operates a portfolio of 338 assets (545 industrial buildings) totalling approximately 71.9 million square feet of GLA in key markets across Canada, Europe and the U.S. as at September 30, 2024.

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.

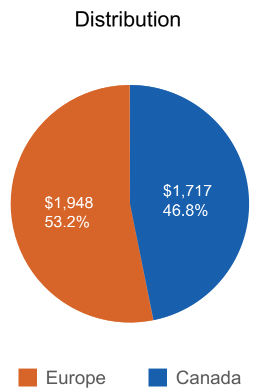
Focused portfolio strategy

In Canada, our focus is on mid- to large-bay properties primarily in the GTA and the Greater Montréal Area, where we expect 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. We are also targeting to increase scale in our existing sub-markets and to add to our large urban logistics clusters.

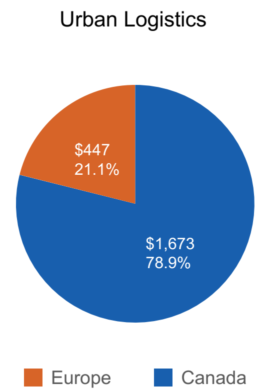
In Europe, our goal is to acquire mid- to large-bay properties in major Western European markets. Across these markets there is growing demand for urban logistics space, increased user demand relative to supply of quality industrial product, attractive going-in capitalization rates and upside potential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

In the U.S., we will continue to pursue long-term growth alongside institutional partners through our retained interest in the U.S. Fund. This structure allows us to continue to grow in U.S. industrial markets, improving overall portfolio quality and diversification while maintaining an enhanced geographic mix. A subsidiary of the Trust provides property management, accounting, construction management and leasing services to the U.S. Fund. This is expected to provide us with a fee income stream as the U.S. Fund scales in U.S. industrial markets.

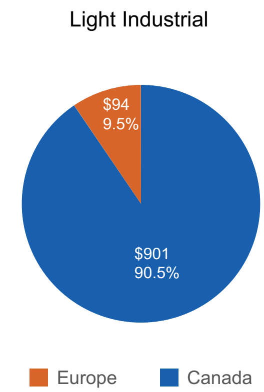
As at September 30, 2024, our investment property value (excluding the U.S. portfolio, Dream Summit JV, Development JV and properties under development) by building type allocated by region is as follows[(1)]:



54% of Investment Property Value



31% of Investment Property Value



15% of Investment Property Value

(1) All dollar amounts in these charts are presented in millions.

Key property statistics by building type as at September 30, 2024 are summarized in the table below:

				September 30, 2024
	Distribution	Urban logistics	Light industrial	Total
Number of assets[(1)(2)]	215	82	41	338
Number of buildings[(2)]	316	164	65	545
Total GLA (thousands of sq. ft.)[(2)]	53,359	12,170	6,418	71,947
Owned GLA (thousands of sq. ft.)[(3)]	25,849	11,294	5,168	42,311
Site area (in acres)[(2)]	2,954	753	393	4,100

(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 September 30, 2024.

(3) Includes the Trust's share of equity accounted investments as at September 30, 2024.

Development strategy

We continue to build and execute on a development pipeline across our target markets. Our development program consists of three key pillars:

- **Greenfield development** – Target the acquisition of developable land, industrial zoned or designated industrial, for speculative development in core markets;
- **Intensification of excess land on income-producing properties** – Capitalize on opportunities to add high-quality GLA to existing properties and maximize site coverage; and
- **Redevelopment of existing properties** – Identify existing, well-located assets for redevelopment with the goal of achieving higher density and rents.

We have over 1.5 million square feet of completed and substantially completed projects to date. The completed projects are fully leased, and approximately 40% of the substantially completed projects have been leased up as at September 30, 2024. During the quarter, our fully-leased Courtneypark project located in Mississauga, Ontario, was moved from substantially complete to fully complete, with tenants taking occupancy and rent having commenced in September 2024, generating net rental income of $0.4 million. We fully leased our Abbotside property in Ontario during the quarter with occupancy of the remaining 70,000 square feet having commenced in September 2024. In Alberta, we signed a 10-year lease at our 50-acre development project in Balzac for 296,000 square feet commencing in March 2025 with a starting rent of $9.75 per square foot and 2.5% annual contractual rent steps.

We have over 1.0 million square feet of projects underway, with an additional 0.2 million square feet at our share that are in advanced stages of planning. We have decided to advance refurbishment and expansion plans to convert our 0.2 million square foot Dickson property in Montréal, Québec, to a functional multi-tenant property. Overall, we expect all of our current projects to be completed by early 2026 and generate an attractive overall unlevered yield on cost of approximately 6.8%.

Development projects that are completed or substantially completed from a construction standpoint are transferred from properties held for development to income-producing properties for financial reporting purposes and included in our property and occupancy metrics upon reaching practical completion as defined in our audited consolidated financial statements for the year ended December 31, 2023. As such, the substantially completed project in Balzac, Alberta, has not been included in the property and occupancy metrics for the three and nine months ended September 30, 2024, while it generated net rental income of $0.4 million during the quarter from certain occupied units within the project.

We hold a 25% interest in the Development JV formed in 2022 with a sovereign wealth fund holding the remaining 75% interest. The Development JV is focused on well-located development sites in the GTA and other select markets within the Greater Golden Horseshoe Area (“GGHA”) to build high-quality, best-in-class industrial assets with the intention to hold the properties following stabilization. We are currently under contract to acquire a 32-acre development site in Brampton, Ontario, within the Development JV.

We hold a 10% interest in the Dream Summit JV, which has exposure to approximately 2.6 million square feet of developments made up of greenfield projects, intensifications and redevelopments. This development pipeline comprises 1.4 million square feet of projects underway as well as 1.2 million square feet of projects in advanced stages of pre-construction, mainly located in the GTA and Greater Montréal Area. We intend to continue advancing these projects over time.

The following table provides details on our projects that are recently completed, currently underway or in advanced stages of planning:

(in millions of dollars)

Location	Region	GLA (in thousands of sq. ft.)(1)	Cost incurred(2)	Estimated cost to complete(3)	Total estimated cost	Construction completion	Estimated unlevered yield(4)	Current objective
Complete								
The Hague, Netherlands	Europe	65	$ 14.7	$ —	$ 14.7	H1 2022	6.2%	Intensification
100 East Beaver Creek, Richmond Hill	Ontario	43	6.0	—	6.0	H2 2022	11.3 %	Intensification
401 Marie-Curie Boulevard, Montréal – Phase 1 & 2	Québec	228	31.1	—	31.1	H2 2022	8.2%	Intensification
Dresden, Germany	Europe	241	30.6	—	30.6	H2 2022	6.8%	Intensification
Blaise-Pascal, Montréal	Québec	120	20.0	—	20.0	H1 2023	8.4%	Intensification
Terrebonne, QC	Québec	29	7.3	—	7.3	H2 2023	5.3%	Intensification
Abbotside, Caledon	Ontario	154	40.1	0.3	40.4	H1 2023	7.1%	New development
Mississauga, ON	Ontario	209	70.1	—	70.1	H1 2024	6.6%	Redevelopment
Total complete		1,089	$ 219.9	$ 0.3	$ 220.2		7.2%	
Substantially complete								
Balzac, AB	Alberta	343	55.7	7.1	62.8	H1 2024	6.1%	New development
Cambridge, ON(5)	Ontario	109	20.4	4.7	25.1	H1 2024	6.6%	New development
Total complete/substantially complete		1,541	$ 296.0	$ 12.1	$ 308.1		6.9%	
Underway								
Balzac, AB	Alberta	650	89.3	16.8	106.1	H1 2025	6.1%	New development
Whitby, ON	Ontario	389	64.9	28.8	93.7	H1 2025	6.9%	Redevelopment
Total underway		1,039	$ 154.2	$ 45.6	$ 199.8		6.5%	
Planning								
Brampton, ON(5)	Ontario	208	15.0	37.4	52.4	H1 2026	7.3%	New development
Total planning		208	$ 15.0	$ 37.4	$ 52.4		7.3%	
Total near-term development pipeline		2,788	$ 465	$ 95	$ 560		6.8%	

(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 cost to complete represents our best estimates as at September 30, 2024.

(4) The unlevered yield is calculated by dividing the estimated NOI by the total estimated development project costs.

(5) The respective GLA and estimated costs shown in the table reflect our 25% share of the Development JV.

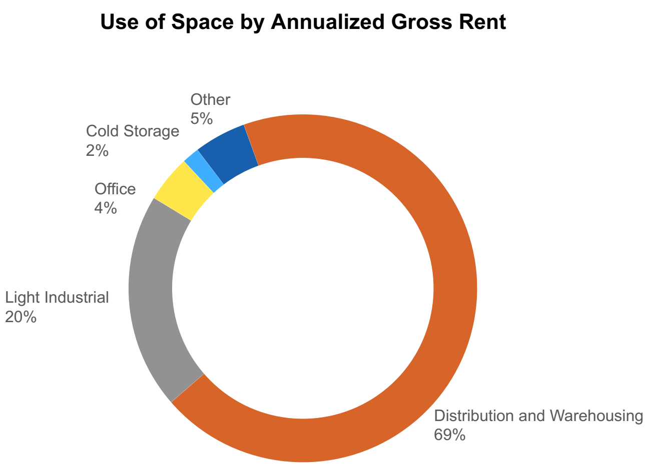
In addition to our greenfield and redevelopment programs, we have the unique opportunity to add high-quality GLA through the expansion of existing sites across our predominantly urban portfolio in North America and Europe. We continuously evaluate redevelopment and intensification opportunities across our portfolio from technical and financial feasibility perspectives. To date, we have added 0.9 million square feet of excess density to our current income-producing assets, achieving an unlevered yield on cost of 7.2%.

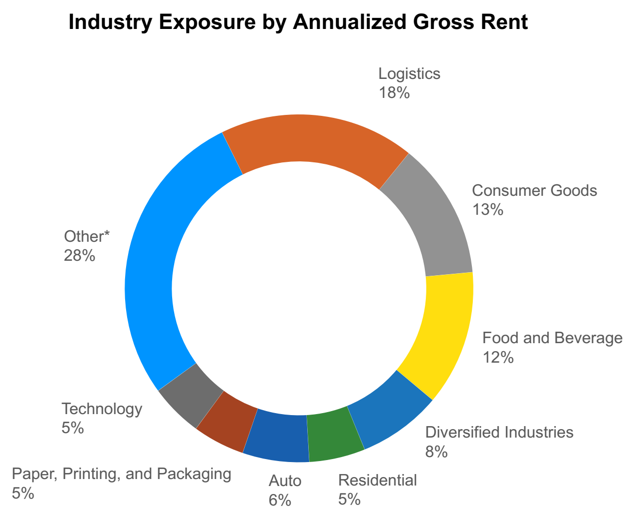
We currently estimate that our excess land portfolio of 180 acres provides opportunities to add approximately 3 million square feet of high-quality industrial space over time, with a target yield on cost of over 8% on incremental capital.

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 18% of annualized gross rent. As at September 30, 2024, we had approximately 1,500 tenants (including those tenants occupying investment properties that are owned and managed).

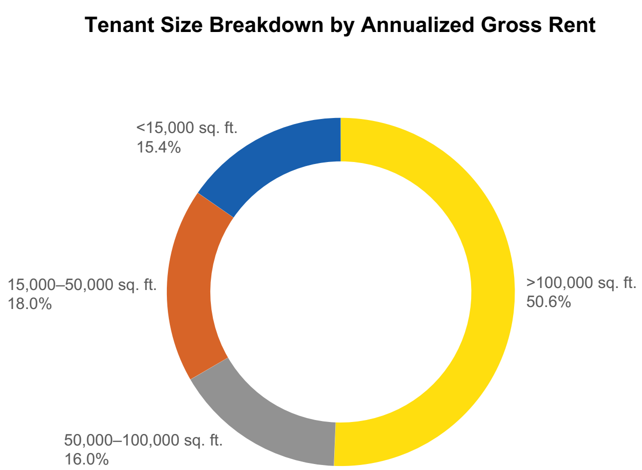
The following charts show the industries in which our tenants operate, and their use of space based on annualized gross rental revenue, as at September 30, 2024:

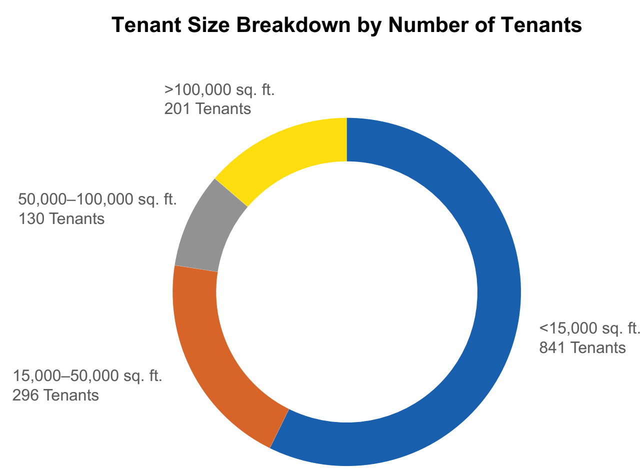




*Comprises 15 sectors each representing 5% or less

The following charts show the tenant size breakdown by annualized gross rental revenue, and the tenant size breakdown by number of tenants, as at September 30, 2024:





Approximately 85% of our annualized gross rental revenue was derived from 627 tenants, each occupying over 15,000 square feet with an average size of approximately 106,864 square feet. The remaining annualized gross rental revenue was derived from 841 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 investments) as at September 30, 2024. Our top ten tenants have a WALT of 4.5 years.

Rank	Tenant	Use of space	Gross rental revenue	Thousands of sq. ft.
1.	Auchan	Distribution & warehousing	2.5%	1,577
2.	ID Logistics	Distribution & warehousing	1.3%	818
3.	Drakkar Logistique	Distribution & warehousing	1.1%	341
4.	ESM Ertl Systemlogistik	Distribution & warehousing	1.0%	472
5.	Robert Transport	Distribution & warehousing	0.9%	432
6.	KiK (Tengelmann Group)	Distribution & warehousing	0.9%	597
7.	Kuehne + Nagel	Distribution & warehousing	0.9%	489
8.	DHL	Distribution & warehousing	0.8%	661
9.	Tayco	Distribution & warehousing	0.8%	217
10.	Amazon	Distribution & warehousing	0.8%	384
	Total		11.0%	5,988

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

Each asset (also known as an investment property) comprises 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 single assets 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 September 30, 2024 and December 31, 2023:

	September 30, 2024				December 31, 2023			
	Number of buildings(1)	**Number of assets(1)(4)**	**Owned GLA(2) (thousands of sq. ft.)**	**Total GLA(1) (thousands of sq. ft.)**	Number of buildings(1)	Number of assets(1)(4)	Owned GLA(2) (thousands of sq. ft.)	Total GLA(1) (thousands of sq. ft.)
Ontario	**104**	**66**	**9,273**	**9,273**	103	65	9,064	9,064
Québec	**47**	**34**	**5,932**	**5,932**	48	35	6,157	6,157
Western Canada	**74**	**36**	**4,776**	**4,776**	80	42	5,068	5,068
Canadian portfolio	**225**	**136**	**19,981**	**19,981**	231	142	20,289	20,289
European portfolio	**100**	**87**	**17,310**	**17,310**	102	90	17,409	17,409
Total before equity accounted investments	**325**	**223**	**37,291**	**37,291**	333	232	37,698	37,698
Dream Summit JV portfolio(3)	**182**	**91**	**2,414**	**24,931**	172	88	2,334	24,025
U.S. portfolio	**38**	**24**	**2,606**	**9,725**	38	24	2,527	9,725
Total portfolio	**545**	**338**	**42,311**	**71,947**	543	344	42,559	71,448

(1) Includes the Trust's owned and managed properties as at September 30, 2024 and December 31, 2023.

(2) Includes the Trust's share of equity accounted investments as at September 30, 2024 and December 31, 2023.

(3) A 10% interest in the Dream Summit JV was acquired on February 17, 2023.

(4) The number of assets within the Dream Summit JV portfolio for the comparative periods following acquisition have been updated to reflect revised cluster definitions within this portfolio.

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)	**September 30, 2024**	June 30, 2024	September 30, 2023
Ontario	**96.6**	95.4	97.6
Québec	**94.4**	94.0	94.8
Western Canada	**94.4**	95.4	96.8
Canadian portfolio	**95.4**	95.0	96.6
European portfolio	**95.7**	95.6	98.0
Total before equity accounted investments	**95.6**	95.3	97.2
Dream Summit JV portfolio(1)	**94.7**	97.7	98.1
U.S. portfolio(1)	**95.4**	95.6	95.6
Total portfolio(1)	**95.5**	95.4	97.2

(1) Includes the Trust's share of equity accounted investments as at September 30, 2024, June 30, 2024 and September 30, 2023.

Our in-place and committed occupancy, excluding the U.S. portfolio and Dream Summit JV, includes lease commitments totalling approximately 122,000 square feet for space that is being readied for occupancy but for which rental revenue is not yet recognized.

Our in-place and committed occupancy remained strong at 95.5% as at September 30, 2024, compared to 95.4% as at June 30, 2024 and 97.2% as at September 30, 2023.

In-place and committed occupancy in Ontario was 96.6% as at September 30, 2024, compared to 95.4% as at June 30, 2024 and 97.6% as at September 30, 2023. We leased a vacant 98,000 square foot property in Oakville for a 5-year term at a starting rent of $18.00 per square foot with approximately 3.5% annual contractual rent steps. We also signed a 10-year lease on the remaining 70,000 square feet of space at our Abbotside development at an attractive starting rent of $18.50 per square foot with approximately 3.75% annual contractual rent steps. Furthermore, we signed a renewal at our 82,000 square foot property in Brampton at an annual rent of $18.25 per square foot and 4% annual contractual rent steps, nearly 120% higher than the prior expiring rent.

In-place and committed occupancy in Québec was 94.4% as at September 30, 2024, compared to 94.0% as at June 30, 2024 and 94.8% as at September 30, 2023. During the quarter, our 225,000 square foot property near the Port of Montréal, which was previously vacant, was reclassified to development as part of a refurbishment and expansion plan to accommodate a multi-tenant layout.

In-place and committed occupancy in Western Canada was 94.4% as at September 30, 2024, compared to 95.4% as at June 30, 2024 and 96.8% as at September 30, 2023. The decrease was due to expected transitory vacancies where estimated market rent exceeds expiring rent.

In-place and committed occupancy in Europe was 95.7% as at September 30, 2024, compared to 95.6% as at June 30, 2024 and 98.0% as at September 30, 2023. The increase from the prior quarter was due to signing a 10-year lease at our 189,000 square foot property in Germany at a starting rent that was over 20% spread to expiring rent. The lease is indexed to CPI growth.

In-place and committed occupancy in the Dream Summit JV was 94.7% as at September 30, 2024, compared to 97.7% as at June 30, 2024 and 98.1% as at September 30, 2023. The decrease was due to transitory vacancies where estimated market rent exceeds in-place or expiring rent.

In-place and committed occupancy in the U.S. was 95.4% as at September 30, 2024, compared to 95.6% as at June 30, 2024 and 95.6% as at September 30, 2023.

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 and Dream Summit JV) for the three and nine months ended September 30, 2024:

	Three months ended September 30, 2024					
	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	18,991	95.0%	16,573	95.6%	35,564	95.3%
Vacancy committed for future occupancy	(105)	(0.5%)	—	—%	(105)	(0.3%)
Occupancy (in-place) at beginning of period	18,886	94.5%	16,573	95.6%	35,459	95.0%
Occupancy related to development[1]	209		—		209	
Occupancy related to acquired properties and remeasurements	1		—		1	
Occupancy related to disposed properties	—		(14)		(14)	
Impact of property reclassifications and dispositions[2]		1.1%				0.6%
Occupancy (in-place) at beginning of period – adjusted	19,096	95.6%	16,559	95.6%	35,655	95.6%
Natural expiries and relocations	(910)	(4.7%)	(452)	(2.6%)	(1,362)	(3.6%)
Early terminations	(210)	(1.0%)	—	—%	(210)	(0.6%)
New leases	339	1.7%	155	0.9%	494	1.3%
Renewals and relocations	638	3.2%	297	1.8%	935	2.5%
Occupancy (in-place) at period-end	18,953	94.8%	16,559	95.7%	35,512	95.2%
Vacancy committed for future occupancy	116	0.6%	6	—%	122	0.4%
Occupancy (in-place and committed) at period-end	**19,069**	**95.4%**	**16,565**	**95.7%**	**35,634**	**95.6%**

(1) This relates to the development project in Mississauga, Ontario, which was fully leased for occupancy in Q3 2024.

(2) This includes a property in Montréal, Québec, that moved to development.

	Nine months ended September 30, 2024					
	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	19,491	96.1%	16,758	96.3%	36,249	96.2%
Vacancy committed for future occupancy	(79)	(0.4%)	—	—%	(79)	(0.3%)
Occupancy (in-place) at beginning of period	19,412	95.7%	16,758	96.3%	36,170	95.9%
Occupancy related to development[1]	209		—		209	
Occupancy related to acquired properties and remeasurements	1		2		3	
Occupancy related to disposed properties	(270)		(74)		(344)	
Impact of property reclassifications and dispositions[2]		1.2%		0.1%		0.7%
Occupancy (in-place) at beginning of period – adjusted	19,352	96.9%	16,686	96.4%	36,038	96.6%
Natural expiries and relocations	(2,054)	(10.4%)	(2,017)	(11.7%)	(4,071)	(10.9%)
Early terminations	(384)	(1.9%)	(229)	(1.3%)	(613)	(1.6%)
New leases	619	3.1%	466	3.2%	1,085	2.9%
Renewals and relocations	1,420	7.1%	1,653	9.1%	3,073	8.2%
Occupancy (in-place) at period-end	18,953	94.8%	16,559	95.7%	35,512	95.2%
Vacancy committed for future occupancy	116	0.6%	6	—%	122	0.4%
Occupancy (in-place and committed) at period-end	**19,069**	**95.4%**	**16,565**	**95.7%**	**35,634**	**95.6%**

(1) This relates to the development project in Mississauga, Ontario, which was fully leased for occupancy in Q3 2024.

(2) This includes a property in Montréal, Québec, that moved to development.

The overall tenant retention ratio across our Canadian and European portfolios for the three and nine months ended September 30, 2024 was 68.6% and 75.5%, respectively (2023 – 80.3% and 76.7%, respectively). Tenant retention ratio is calculated as the ratio of total square feet of renewed and relocated space over natural expiries and relocations.

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 July 1, 2024 to November 1, 2024 across our Canadian and European portfolios (excluding the U.S. portfolio and Dream Summit JV):

Canadian and European portfolios	Thousands of sq. ft.	Rental rate spread[1]
Ontario	438	59.7%
Québec	195	31.4%
Western Canada	535	8.7%
Canadian portfolio	1,168	38.6%
European portfolio	745	9.9%
Total portfolio	1,913	25.3%

(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, 2024 to November 1, 2024 across our Canadian and European portfolios (excluding the U.S. portfolio and Dream Summit JV):

Canadian and European portfolios	Thousands of sq. ft.	Rental rate spread[1]
Ontario	1,233	91.7%
Québec	1,290	54.4%
Western Canada	1,046	11.5%
Canadian portfolio	3,569	56.0%
European portfolio	1,640	10.3%
Total portfolio	5,209	40.2%

(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 nine months ended September 30, 2024, our leasing team transacted approximately 1.9 million and 5.2 million square feet of leasing activity, respectively. Rental spreads for the quarter were approximately 60% and 31% in Ontario and Québec, respectively, reflecting the robust demand for industrial space in those regions.

Along with capturing significant rental rate growth, we are systematically adding contractual annual rental rate escalators to our leases that allow for consistently rising CP NOI over time. Currently, the average contractual annual rental rate growth embedded in our Canadian portfolio equates to approximately 3.0%. In our European portfolio, approximately 85% of the leases are indexed to local CPI with the remainder of the portfolio having contractual rent steps.

Canadian and European portfolios rental rates

Average in-place and committed base rent is contractual base rent excluding 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 the U.S. portfolio and Dream Summit JV):

	Average in-place and committed base rent (per sq. ft.)		
Canadian and European portfolios	**September 30, 2024**	June 30, 2024	September 30, 2023
Ontario	**$ 11.34**	$ 10.66	$ 9.97
Québec	**9.58**	9.40	8.77
Western Canada	**9.25**	9.16	8.99
Canadian portfolio	**$ 10.33**	$ 9.92	$ 9.37
European portfolio (€)	**€ 5.64**	€ 5.59	€ 5.42

As at September 30, 2024, the average in-place and committed base rent for our Canadian portfolio was $10.33 per square foot, compared to $9.92 per square foot as at June 30, 2024 and $9.37 per square foot as at September 30, 2023. The year-over-year growth of 10.2% in the Canadian portfolio was driven by lease renewals and future lease commitments, capturing strong positive rental rate spreads in all regions.

As at September 30, 2024, the average in-place and committed base rent for our European portfolio was €5.64 per square foot, compared to €5.59 per square foot as at June 30, 2024 and compared to €5.42 per square foot as at September 30, 2023. The year-over-year growth of 4% in the European portfolio was attributable to positive rental rate spreads and the indexation of rents to local 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 the U.S. portfolio and Dream Summit JV) as at September 30, 2024:

				September 30, 2024
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	$ 11.34	$ 16.49	45.4%	3.8
Québec	9.58	14.23	48.5%	4.5
Western Canada	9.25	9.59	3.7%	3.6
Canadian portfolio	**$ 10.33**	**$ 14.20**	**37.5%**	**3.9**
European portfolio	**€ 5.64**	**€ 6.07**	**7.6%**	**4.6**
Total portfolio WALT (excluding the U.S. portfolio and Dream Summit JV) (years)				**4.3**

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 September 30, 2024. The lease maturity profile excludes the U.S. portfolio and Dream Summit JV.

Canadian and European portfolios (in thousands of sq. ft.)	Vacancy, net of commitments	Remainder of 2024	2025	2026	2027	2028	2029+	Total
Ontario	312	175	996	1,619	1,394	1,669	3,108	9,273
Québec	334	307	911	980	858	781	1,761	5,932
Western Canada	266	116	769	737	657	638	1,593	4,776
Canadian portfolio	912	598	2,676	3,336	2,909	3,088	6,462	19,981
European portfolio	745	22	1,486	2,942	1,306	2,329	8,480	17,310
Canadian and European portfolios total GLA	1,657	620	4,162	6,278	4,215	5,417	14,942	37,291
Percentage of Canadian and European total GLA	4.4%	1.7%	11.2%	16.8%	11.3%	14.5%	40.1%	100.0%

For the remainder of 2024 and 2025, we have approximately 4.8 million square feet of GLA maturing. Around 3.3 million square feet of this space is located in Canada, of which approximately 73% is located in Ontario and Québec, where the average market rent is 95% and 62% higher than the in-place rent, respectively. In Europe, we have 1.5 million square feet of GLA maturing where the average market rent is more than 25% higher than the in-place rent.

The following table details the weighted average in-place and committed base rents per square foot for expiring leases for our Canadian and European portfolios by region (excluding the U.S. portfolio and Dream Summit JV) as at September 30, 2024. The base rents presented in this table are subject to adjustments for rent escalations and CPI indexation in future periods or fixed-rate renewal options, as applicable.

	Weighted average in-place and committed base rent (per sq. ft.)					
Canadian and European portfolios	2024	2025	2026	2027	2028	2029+
Ontario	$ 8.31	$ 8.48	$ 9.68	$ 11.47	$ 13.76	$ 11.93
Québec	8.28	8.97	10.06	9.87	12.20	8.53
Western Canada	6.82	9.67	9.45	9.60	9.69	8.82
Canadian portfolio	**$ 8.01**	**$ 8.99**	**$ 9.74**	**$ 10.58**	**$ 12.53**	**$ 10.24**
European portfolio	**€ 9.63**	**€ 4.77**	**€ 5.29**	**€ 6.44**	**€ 5.80**	**€ 5.91**

Canadian and European portfolios lease expiry profile for 2024

The following table details our Canadian and European portfolios lease maturity profile for 2024, net of renewals and net of committed new leases on vacant space. The lease maturity profile excludes the U.S. portfolio and Dream Summit JV.

Canadian and European portfolios (in thousands of sq. ft.)	Ontario	Québec	Western Canada	Canadian portfolio	European portfolio	Total
2024 expiries (as at September 30, 2024)	(263)	(544)	(228)	(1,035)	(52)	(1,087)
Expiries committed for renewals	88	237	112	437	30	467
Expiries, net of committed renewals	(175)	(307)	(116)	(598)	(22)	(620)
Commitment as a % of expiries	33.5%	43.6%	49.1%	42.2%	57.7%	43.0%
Current vacancies	(345)	(335)	(348)	(1,028)	(751)	(1,779)
Current vacancies committed for future occupancy	33	1	82	116	6	122
Current vacancies, net of commitments for future occupancy	(312)	(334)	(266)	(912)	(745)	(1,657)

Net rental income

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

For a detailed discussion about investment properties revenue and operating expenses for the three and nine months ended September 30, 2024 and September 30, 2023, refer to the section "Our Results of Operations".

	Three months ended September 30,				Nine months ended September 30,			
	2024		2023		**2024**		2023	
	Amount	**%**	Amount	%	**Amount**	**%**	Amount	%
Ontario	**$ 27,985**	**31%**	$ 24,211	29%	**$ 78,766**	**30%**	$ 70,443	28%
Québec	**15,327**	**17%**	13,433	16%	**43,010**	**16%**	39,530	16%
Western Canada	**11,067**	**12%**	10,783	13%	**33,242**	**13%**	32,204	13%
Canadian portfolio	**54,379**	**60%**	48,427	58%	**155,018**	**59%**	142,177	57%
European portfolio	**33,472**	**37%**	32,395	38%	**99,365**	**38%**	97,181	39%
Dream Summit JV portfolio	**5,684**	**6%**	5,128	6%	**16,928**	**6%**	12,643	5%
U.S. portfolio	**4,649**	**5%**	4,177	5%	**13,743**	**5%**	12,406	5%
Net property management and other income	**2,641**	**3%**	2,698	3%	**7,711**	**3%**	6,723	3%
Net rental income from disposed properties	**6**	**—%**	984	1%	**1,919**	**1%**	2,918	1%
Less: Net rental income from equity accounted investments	**(10,333)**	**(11%)**	(9,305)	(11%)	**(30,671)**	**(12%)**	(25,049)	(10%)
Net rental income	**$ 90,498**	**100%**	$ 84,504	100%	**$ 264,013**	**100%**	$ 248,999	100%

Net rental income for the three and nine months ended September 30, 2024 increased by $6.0 million, or 7.1%, and $15.0 million, or 6.0% over the prior year comparative periods, respectively. The increase was mainly driven by the impact of CP NOI (constant currency basis) growth in 2024, increase in straight-line rent driven by early lease renewals, contributions from the lease-up at our development projects, as well as higher net property management fees on a year-to-date basis.

Comparative properties NOI (constant currency basis)

CP 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. 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. See the "Non-GAAP Financial Measures" section for additional information about this non-GAAP financial measure.

The tables below detail the CP NOI (constant currency basis) and other items to assist in understanding the impact each component has on net rental income for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended				Change in weighted average occupancy %	Change in in-place base rent %	Owned and managed GLA (thousands of sq. ft.)
	September 30, 2024	September 30, 2023	Change in $	Change in %			
Ontario	**$ 25,883**	$ 23,769	$ 2,114	8.9%	(2.0%)	12.0%	9,064
Québec	**14,405**	13,795	610	4.4%	(2.6%)	8.4%	5,932
Western Canada	**11,523**	11,383	140	1.2%	(3.3%)	4.4%	4,775
Canadian portfolio	**51,811**	48,947	2,864	5.9%	(2.4%)	9.3%	19,771
European portfolio (constant currency basis)	**33,436**	33,598	(162)	(0.5%)	(3.1%)	3.3%	17,308
Dream Summit JV	**4,944**	4,782	162	3.4%			
U.S. portfolio (constant currency basis)	**4,557**	4,381	176	4.0%			
CP NOI (constant currency basis)	**94,748**	91,708	3,040	3.3%	(2.6%)	7.4%	37,079
Impact of foreign currency translation on CP NOI		(1,142)	1,142				
NOI from acquired properties – Europe	**103**	68	35				
NOI from acquired properties – Dream Summit JV	**563**	49	514				
NOI from disposed properties	**5**	991	(986)				
Net property management and other income	**2,641**	2,698	(57)				
Straight-line rent	**3,992**	1,897	2,095				
Amortization of lease incentives	**(955)**	(914)	(41)				
Lease termination fees and other	**(129)**	(520)	391				
Bad debt provisions	**(385)**	(634)	249				
NOI from properties transferred from/to properties held for development	**267**	(440)	707				
NOI from properties held for sale	**(19)**	48	(67)				
Less: NOI from equity accounted investments	**(10,333)**	(9,305)	(1,028)				
Net rental income	**$ 90,498**	$ 84,504	$ 5,994	7.1%			

	Nine months ended				Change in weighted average occupancy %	Change in in-place base rent %	Owned and managed GLA (thousands of sq. ft.)
	September 30, 2024	September 30, 2023	Change in $	Change in %			
Ontario	**$ 74,268**	$ 68,523	$ 5,745	8.4%	(2.1%)	12.5%	8,910
Québec	**42,741**	38,693	4,048	10.5%	(1.3%)	11.6%	5,932
Western Canada	**34,652**	34,018	634	1.9%	(2.0%)	3.8%	4,776
Canadian portfolio	**151,661**	141,234	10,427	7.4%	(1.9%)	10.1%	19,618
European portfolio (constant currency basis)	**99,346**	97,529	1,817	1.9%	(3.2%)	5.3%	17,308
U.S. portfolio (constant currency basis)	**13,285**	12,628	657	5.2%			
CP NOI (constant currency basis)	**264,292**	251,391	12,901	5.1%	(2.5%)	8.7%	36,926
Impact of foreign currency translation on CP NOI	**—**	(1,952)	1,952				
NOI from acquired properties – Canada	**—**	170	(170)				
NOI from acquired properties – Europe	**306**	68	238				
NOI from acquired properties – Dream Summit JV	**16,928**	12,643	4,285				
NOI from disposed properties	**1,919**	2,918	(999)				
Net property management and other income	**7,711**	6,723	988				
Straight-line rent	**7,597**	5,623	1,974				
Amortization of lease incentives	**(2,599)**	(2,341)	(258)				
Lease termination fees and other	**12**	743	(731)				
Bad debt provisions	**(2,152)**	(1,518)	(634)				
NOI from properties transferred from/to properties held for development	**670**	(420)	1,090				
Less: NOI from equity accounted investments	**(30,671)**	(25,049)	(5,622)				
Net rental income	**$ 264,013**	$ 248,999	$ 15,014	6.0%			

For the three months ended September 30, 2024, CP NOI (constant currency basis) was $94.7 million, compared to $91.7 million in the prior year comparative quarter, representing an increase of $3.0 million or 3.3%. For the nine months ended September 30, 2024, CP NOI (constant currency basis) was $264.3 million, compared to $251.4 million in the comparative prior year period, representing an increase of $12.9 million or 5.1%. Excluding the impact of expansions, the year-over-year CP NOI (constant currency basis) growth for the entire portfolio would have amounted to 3.2% and 4.8% for the three and nine months ended September 30, 2024, respectively.

For the three months ended September 30, 2024, CP NOI (constant currency basis) in Ontario increased by $2.1 million or 8.9%, compared to the prior year comparative quarter, primarily due to an increase in the average in-place base rent of 12.0%, which was primarily driven by increased rental spreads on new and renewed leases as well as the impact of our new development in Caledon. For the nine months ended September 30, 2024, CP NOI (constant currency basis) in Ontario increased by $5.7 million or 8.4%, compared to the comparative prior year period, mainly due to increases in the average in-place base rent of 12.5%.

For the three months ended September 30, 2024, CP NOI (constant currency basis) in Québec increased by $0.6 million or 4.4%, compared to the comparative prior year quarter. For the nine months ended September 30, 2024, CP NOI (constant currency basis) in Québec increased by $4.0 million or 10.5%, compared to the comparative prior year period. This was primarily due to an increase in the average in-place base rent of 8.4% and 11.6% for the three and nine months ended September 30, 2024 compared to the comparative prior year periods, respectively, driven by increases in rental spreads and contractual rent escalations.

For the three months ended September 30, 2024, CP NOI (constant currency basis) in Western Canada increased by $0.1 million or 1.2%, compared to the comparative prior year quarter, driven by increases in average in-place rental rates of 4.4% from new and renewed leases. For the nine months ended September 30, 2024, CP NOI (constant currency basis) in Western Canada increased by $0.6 million or 1.9%, compared to the comparative prior year period due to an increase in average in-place rental rates of 3.8%.

For the three months ended September 30, 2024, CP NOI (constant currency basis) in Europe decreased by $0.2 million or 0.5%, compared to the comparative prior year quarter, primarily attributable to transitory vacancies in the European portfolio. For the nine months ended September 30, 2024, CP NOI (constant currency basis) in Europe increased by $1.8 million or 1.9%, compared to the comparative prior year period due to the impact of CPI indexation on leases on the overall European portfolio and higher rental rate rates on new and renewed leases.

For the three months ended September 30, 2024, CP NOI (constant currency basis) for the Dream Summit JV increased by $0.2 million or 3.4%, compared to the prior year comparative quarter, primarily due to increased rental spreads on new and renewed leases and contractual rent escalations.

For the three months ended September 30, 2024, CP NOI (constant currency basis) in the U.S. increased by $0.2 million or 4.0%, compared to the prior year comparative quarter, mainly driven by increased rental spreads on renewed leases and contractual rent escalations. For the nine months ended September 30, 2024, CP NOI (constant currency basis) in the U.S. increased by $0.7 million or 5.2%, compared to the comparative prior year period for similar reasons as discussed.

For the three and nine months ended September 30, 2024, we earned net property management and other income from the U.S. Fund, Dream Summit JV and Development JV totalling $2.6 million and $7.7 million, respectively. This represents a decrease of $0.1 million compared to the comparative prior year quarter mainly due to timing of leasing fee revenues from the U.S. Fund and an increase of $1.0 million compared to the comparative prior year period primarily as a result of managing the Dream Summit JV for only half the quarter in Q1 2023 (when transaction closed), increased fees from capturing higher rents on lease rollovers in the managed portfolios as well as acquisitions completed in 2023 and 2024.

OUR RESULTS OF OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Investment properties revenue	**$ 116,820**	$ 109,400	**$ 346,713**	$ 326,683
Investment properties operating expenses	**(26,322)**	(24,896)	**(82,700)**	(77,684)
Net rental income	**90,498**	84,504	**264,013**	248,999
Other income				
Share of net income from equity accounted investments	**5,037**	10,154	**20,551**	3,500
Interest income and other	**1,426**	222	**4,315**	363
	6,463	10,376	**24,866**	3,863
Other expenses				
General and administrative	**(7,422)**	(8,058)	**(23,878)**	(23,772)
Interest:				
Debt and other financing costs(1)	**(17,937)**	(14,365)	**(52,326)**	(38,859)
Subsidiary redeemable units	**(2,336)**	(2,336)	**(7,008)**	(8,221)
	(27,695)	(24,759)	**(83,212)**	(70,852)
Fair value adjustments and net (loss) income on transactions and other activities				
Fair value adjustments to investment properties	**(10,155)**	(33,522)	**(15,689)**	(22,745)
Fair value adjustments to financial instruments	**(40,831)**	15,094	**(25,079)**	(40,364)
Net (loss) income on transactions and other activities	**(2,550)**	141	**(8,240)**	(2,631)
	(53,536)	(18,287)	**(49,008)**	(65,740)
Income before income taxes	**15,730**	51,834	**156,659**	116,270
Current and deferred income tax expense, net	**(1,901)**	(1,340)	**(6,683)**	(3,154)
Net income	**$ 13,829**	$ 50,494	**$ 149,976**	$ 113,116
Other comprehensive income				
Items that will be reclassified subsequently to net income:				
Unrealized gain (loss) on foreign currency translation of foreign operations	**$ 58,395**	$ (21,555)	**$ 61,749**	$ (22,871)
Unrealized (loss) gain on hedging instruments	**(38,046)**	7,716	**(30,894)**	3,603
Share of other comprehensive (loss) gain from equity accounted investments	**(4,126)**	5,879	**5,673**	(394)
	16,223	(7,960)	**36,528**	(19,662)
Comprehensive income	**$ 30,052**	$ 42,534	**$ 186,504**	$ 93,454

(1) For the three and nine months ended September 30, 2024, the mark-to-market amortization netted against interest expense on debt and other financing costs was $97 and $385, respectively (for the three and nine months ended September 30, 2023 – $229 and $1,540, 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 leasing fees from the U.S. Fund, Dream Summit JV, and Development JV, the impact of straight-line rent adjustments, lease termination fees and other adjustments.

Investment properties revenue for the three months ended September 30, 2024 increased by $7.4 million or 6.8%, when compared to the prior year comparative quarter. The increase was mainly driven by organic growth in the portfolio (+$7.3 million) and higher property management fees (+$0.5 million), partially offset by the impact of acquired properties net of dispositions in 2024 and 2023 (-$0.4 million).

Investment properties revenue for the nine months ended September 30, 2024 increased by $20.0 million, or 6.1%, when compared to the prior year. The increase was mainly driven by organic growth in the portfolio (+$17.1 million), higher property management fees (+$2.7 million), and the impact of net acquired properties in 2024 and 2023 (+$0.2 million).

Investment properties operating expenses

Investment properties operating expenses comprise recoverable 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 September 30, 2024 increased by $1.4 million, or 5.7%, over the prior year comparative quarter. The increase was driven by growth in the existing portfolio (+$1.2 million) and higher property management expenses (+$0.6 million), partially offset by the impact of acquired properties net of dispositions in 2024 and 2023 (-$0.4 million).

Investment properties operating expenses for the nine months ended September 30, 2024 increased by $5.0 million, or 6.5%, over the prior year. The increase was driven by growth in the existing portfolio (+$3.4 million) and higher property management expenses (+$1.7 million), partially offset by the impact of net acquired properties in 2024 and 2023 (-$0.1 million).

General and administrative ("G&A") expenses

The following table summarizes our G&A expenses for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Asset management fee	**$ (3,675)**	$ (3,673)	**$ (11,052)**	$ (10,762)
Professional fees and general corporate expenses[1]	**(2,790)**	(3,453)	**(9,501)**	(9,915)
Deferred compensation expense	**(957)**	(932)	**(3,325)**	(3,095)
Total	**$ (7,422)**	$ (8,058)	**$ (23,878)**	$ (23,772)

(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 months ended September 30, 2024 decreased by $0.6 million, or 7.9% mainly due to lower general corporate expenses and business tax refunds received relating to prior years. For the nine months ended September 30, 2024, G&A expenses increased by $0.1 million, or 0.4%, mainly due to higher asset management fees from acquisitions completed in 2023 and 2024, and higher deferred compensation expense due to higher unit price of the Trust, partially offset by business tax refunds received relating to prior years.

Share of net income from equity accounted investments

Share of net income from equity accounted investments represents our share of net income pickup from our investments in an associate, the U.S. Fund, and two joint ventures, the Dream Summit JV and the Development JV.

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 nine months ended September 30, 2024, our share of net income from the U.S. Fund was $2.7 million and $12.0 million, respectively (for the three and nine months ended September 30, 2023 – $7.4 million and $9.3 million, respectively). Net income from the U.S. Fund for the three months ended September 30, 2024 decreased over the prior year comparative period primarily due to fair value adjustments to debt. Net income from the U.S. Fund for the nine months ended September 30, 2024 increased over the prior year comparative period primarily due to an increase in fair value adjustments to investment properties and higher net rental income, partially offset by decrease in fair value adjustments to debt.

Net income from the Dream Summit JV mainly comprises net rental income, interest expense on debt, G&A expenses and fair value adjustments to investment properties. For the three and nine months ended September 30, 2024, our share of net income (loss) from the Dream Summit JV was $2.4 million and $8.6 million, respectively (for the three and nine months ended September 30, 2023 – $2.7 million and $(5.7) million, respectively). Net income from the Dream Summit JV for the three months ended September 30, 2024 slightly decreased despite higher FFO compared to the prior year comparative period due to fair value adjustments on financial instruments. Net income from the Dream Summit JV for the nine months ended September 30, 2024 increased over the prior year comparative period primarily due to fair value adjustments to investment properties mainly related to the write-off of transaction costs in the prior year.

For the three and nine months ended September 30, 2024, our share of net loss from the Development JV was $nil and $(0.1) million, respectively (for the three and nine months ended September 30, 2023 – $nil).

Interest expense on debt and other financing costs

Interest expense on debt and other financing costs increased by $3.6 million and $13.5 million for the three and nine months ended September 30, 2024, respectively, when compared to the prior year comparative periods. The increase was primarily driven by higher interest rates and higher average debt outstanding in connection with funding our investment in the Dream Summit JV mid-Q1 2023, mortgage refinancings that took place in the second half of 2023, the $400 million Series F Debentures and the €153 million Unsecured Term Loan which was largely used to repay the $200 million Series B Debentures at maturity in June 2024, partially offset by lower borrowings on our unsecured revolving credit facility and mortgage maturities in the current year.

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 nine months ended September 30, 2024.

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 (”IRS”) are calculated 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 nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Remeasurement of carrying value of subsidiary redeemable units	**$ (23,623)**	$ 16,950	**$ (6,406)**	$ (28,518)
Remeasurement of carrying value of deferred trust units	**(2,624)**	1,475	**(950)**	(2,094)
Remeasurement of IRS	**(12,481)**	(1,228)	**(11,414)**	(3,443)
Amortization of fair value adjustments to CCIRS	**(2,103)**	(2,103)	**(6,309)**	(6,309)
Total	**$ (40,831)**	$ 15,094	**$ (25,079)**	$ (40,364)

Net (loss) income on transactions and other activities

The following table summarizes our net (loss) income on transactions and other activities for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Internal leasing costs	**$ (1,667)**	$ (1,127)	**$ (4,363)**	$ (3,224)
Foreign exchange (loss) gain	**(18)**	1,341	**(1,921)**	1,389
Transaction costs on acquisitions and dispositions	**(771)**	(76)	**(1,397)**	(818)
Other	**(94)**	3	**(559)**	22
Total	**$ (2,550)**	$ 141	**$ (8,240)**	$ (2,631)

Current and deferred income tax expense

The following table summarizes our current and deferred income tax expense for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Current income tax expense	**$ (662)**	$ (925)	**$ (1,887)**	$ (2,284)
Deferred income tax expense, net	**(1,239)**	(415)	**(4,796)**	(870)
Deferred and current income tax expense, net	**$ (1,901)**	$ (1,340)	**$ (6,683)**	$ (3,154)

Current income tax expense for the three and nine months ended September 30, 2024 decreased by $0.3 million and $0.4 million, respectively, compared to the prior year comparative periods, primarily due to lower taxable income in Europe as a result of higher interest expense on mortgages that closed in 2023.

Deferred income tax expense for the three and nine months ended September 30, 2024 increased by $0.8 million and $3.9 million, respectively, compared to the prior year comparative periods, primarily due to changes in fair value adjustments to investment properties.

Other comprehensive income (loss)

Other comprehensive income (loss) comprises unrealized gain (loss) on foreign currency translation, unrealized gain (loss) on hedging instruments and unrealized gain (loss) on foreign currency translation from our equity accounted investments. 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 the 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 directly 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, a supplementary financial measure. 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 nine months ended September 30, 2024 and September 30, 2023 are shown in the table below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Net income	**$ 13,829**	$ 50,494	**$ 149,976**	$ 113,116
FFO	**$ 74,031**	$ 69,395	**$ 214,387**	$ 205,348
Weighted average number of Units (in thousands)	**290,273**	283,237	**289,114**	278,770
FFO per Unit – diluted	**$ 0.26**	$ 0.25	**$ 0.75**	$ 0.74
Net income per Unit – diluted	**$ 0.05**	$ 0.18	**$ 0.52**	$ 0.41

Diluted FFO per Unit for the three and nine months ended September 30, 2024 was $0.26 and $0.75, respectively, slightly higher than the diluted FFO per Unit for the three and nine months ended September 30, 2023.

Related party transactions

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

Agreements with Dream Asset Management Corporation ("DAM")

The Trust is party to (i) an amended and restated asset management agreement (the "North American AMA") with DAM in respect of its North American portfolio; and (ii) an asset management agreement (the "European AMA") with a subsidiary of DAM in respect of its European portfolio.

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 as defined in the North American and European AMAs ($1.03 as of December 31, 2023).

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 September 30, 2024, no incentive fee under the North American AMA has been paid or is payable by the Trust to DAM.

As at September 30, 2024, 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.

In the event that all of the Trust's investment properties were sold or both the North American AMA and the European AMA were terminated, based on the investment properties value of $7.1 billion reported as at September 30, 2024, and based on the Trust's actual financial results for the trailing twelve months, the estimated overall incentive fee payable would have been $288.5 million. The actual incentive fee payable, if any, would be calculated as of each fiscal year-end and based on the Trust's actual financial results for the year ending December 31.

The amount of the North American incentive fee payable by the Trust, 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 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.

The following table summarizes our fees paid to DAM and its affiliates for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Incurred under the North American AMA and European AMA:				
Asset management fee (included in G&A expenses)	**$ (3,675)**	$ (3,673)	**$ (11,052)**	$ (10,762)
Asset management fee (included in properties under development)	**(190)**	(138)	**(540)**	(303)
Capital expenditures fee (included in investment properties)	**(893)**	(2,717)	**(3,479)**	(4,676)
Acquisition fee (included in investment properties and equity accounted investments)	**—**	(69)	**(182)**	(3,746)
Expense reimbursements related to financing arrangements	**(155)**	(153)	**(440)**	(367)
Total costs incurred under the North American AMA and European AMA	**$ (4,913)**	$ (6,750)	**$ (15,693)**	$ (19,854)
Total costs reimbursed under the Shared Services and Cost Sharing Agreement	**$ (522)**	$ (486)	**$ (1,416)**	$ (1,355)

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 nine months ended September 30, 2024 and September 30, 2023 pursuant to the terms of the Services Agreement:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Total costs reimbursed under the Services Agreement	**$ (1,690)**	$ (1,823)	**$ (6,118)**	$ (6,066)

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

The following table summarizes our distributions and interest paid and payable to subsidiaries of Dream Office REIT for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Interest paid and payable to Dream Office REIT on subsidiary redeemable units	**$ (2,336)**	$ (2,336)	**$ (7,008)**	$ (8,221)
Distributions paid and payable to Dream Office REIT on REIT Units	**(33)**	(34)	**(99)**	(1,869)
Interest and distributions paid and payable to Dream Office REIT	**$ (2,369)**	$ (2,370)	**$ (7,107)**	$ (10,090)

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

Effective June 13, 2024, PAULS Corp is no longer a related party as Brian Pauls did not stand for re-election on the Trust's Board of Trustees. Our fees paid and costs reimbursed to an affiliate of PAULS Corp under the sub-property management agreement for the six months ended June 30, 2024 amount to $(264) (for the three and nine months ended September 30, 2023 $(109) and $(312), respectively).

Agreements and transactions with the associate and joint venture

The following table summarizes our fees earned from the associate and joint venture for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Total fees earned under the Property Management Agreements[1]	**$ 4,767**	$ 4,332	**$ 13,985**	$ 11,555

(1) Amounts include management fees, construction fees, leasing fees, and cost recovery for property management and accounting related to the U.S. Fund, Dream Summit JV and Development JV.

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 a 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 nine months ended September 30, 2024 are summarized in the following tables:

	Three months ended						
	June 30, 2024	Property acquisitions and dispositions	Building improvements, lease incentives and initial direct leasing costs	Fair value adjustments	Non-cash accounting adjustments[2]	Income-producing properties transferred to/from properties held for development[3]	**September 30, 2024**
Ontario	$ 2,345,361	$ —	$ 5,957	$ 39	$ 1,456	$ 80,797	$ **2,433,610**
Québec	1,236,394	—	2,969	(3,440)	1,434	(41,592)	**1,195,765**
Western Canada	655,186	—	3,803	2,324	(307)	—	**661,006**
Canadian portfolio	4,236,941	—	12,729	(1,077)	2,583	39,205	**4,290,381**
European portfolio	2,431,610	(3,949)	2,884	(9,926)	69,118	—	**2,489,737**
Total income-producing properties	6,668,551	(3,949)	15,613	(11,003)	71,701	39,205	**6,780,118**
Properties held for development[1]	294,290	—	21,099	848	—	(39,205)	**277,032**
Total investment properties	**$ 6,962,841**	**$ (3,949)**	**$ 36,712**	**$ (10,155)**	**$ 71,701**	**$ —**	**$ 7,057,150**

(1) Included in properties held for development are development costs, pre-development costs and capitalized interest.

(2) Included in non-cash accounting adjustments are amortization and write-offs of lease incentives, change in straight-line rent and foreign currency translation adjustments of the European portfolio totalling $69,085.

(3) For the three months ended September 30, 2024, one income-producing property was transferred to property held for development due to redevelopment activities and one property was transferred from property held for development to income-producing property.

	Nine months ended						
	January 1, 2024	Property acquisitions and dispositions	Building improvements, lease incentives and initial direct leasing costs[1]	Fair value adjustments	Non-cash accounting adjustments[2]	Income-producing properties transferred to/from properties held for development[3]	**September 30, 2024**
Ontario	$ 2,348,875	$ —	$ 10,149	$ (9,001)	$ 2,790	$ 80,797	$ **2,433,610**
Québec	1,217,394	—	9,965	7,701	2,297	(41,592)	**1,195,765**
Western Canada	684,270	(41,585)	8,908	10,225	(812)	—	**661,006**
Canadian portfolio	4,250,539	(41,585)	29,022	8,925	4,275	39,205	**4,290,381**
European portfolio	2,441,624	(8,782)	10,773	(28,662)	74,784	—	**2,489,737**
Total income-producing properties	6,692,163	(50,367)	39,795	(19,737)	79,059	39,205	**6,780,118**
Properties held for development[1]	232,111	—	80,078	4,048	—	(39,205)	**277,032**
Total investment properties	**$ 6,924,274**	**$ (50,367)**	**$ 119,873**	**$ (15,689)**	**$ 79,059**	$ **—**	**$ 7,057,150**

(1) Included in properties held for development are development costs, pre-development costs and capitalized interest.

(2) Included in non-cash accounting adjustments are amortization and write-offs of lease incentives, change in straight-line rent and foreign currency translation adjustments of the European portfolio totalling $74,685.

(3) For the nine months ended September 30, 2024, one income-producing property was transferred to property held for development due to redevelopment activities and one property was transferred from property held for development to income-producing property.

Significant assumptions used in the valuation of investment properties

The fair value of the investment properties as at September 30, 2024 and December 31, 2023 represents our best estimate based on internally and externally available information as at the end of the reporting period.

We value our 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 September 30, 2024 and December 31, 2023:

	Total portfolio[1]			
	September 30, 2024		December 31, 2023	
Stabilized cap rates	**Range (%)**	**Weighted average (%)[2]**	Range (%)	Weighted average (%)[2]
Ontario	**5.00–9.00**	**6.02**	5.50–8.75	6.01
Québec	**5.75–7.50**	**6.26**	5.75–7.50	6.30
Western Canada	**5.75–7.75**	**6.55**	6.00–8.00	6.58
Canadian portfolio	**5.00–9.00**	**6.17**	5.50–8.75	6.19
European portfolio	**4.70–8.85**	**5.97**	4.50–8.50	5.84
Total portfolio	**4.70–9.00**	**6.09**	4.50–8.75	6.06

(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 September 30, 2024 and December 31, 2023 are set out in the table below:

	Total portfolio[1]			
	September 30, 2024		December 31, 2023	
	Range (%)	**Weighted average (%)[2]**	Range (%)	Weighted average (%)[2]
Discount rate	**5.70–10.40**	**7.29**	5.25–10.00	7.14
Terminal cap rate	**4.95–9.25**	**6.40**	4.50–9.00	6.27

(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.

We believe 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. The implied weighted average cap rate is determined using the annualized nine months ended September 30, 2024 net rental income by property, excluding the net rental income of properties acquired and properties disposed during the quarter, as applicable. Net rental income used in calculating the implied average cap rate also excludes the impact of lease termination fees and other rental income, bad debt provisions, and the 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 September 30, 2024 and December 31, 2023:

	Total portfolio[1]			
	September 30, 2024		December 31, 2023	
	Implied cap rate (%)	**Value per sq. ft.**	Implied cap rate (%)	Value per sq. ft.
Ontario	**4.65**	**$ 258**	4.36	$ 256
Québec	**5.23**	**207**	4.46	202
Western Canada	**7.11**	**137**	7.58	134
Canadian portfolio	**5.18**	**$ 214**	4.91	$ 209
European portfolio (value per sq. ft. in €)	**5.51**	**€ 94**	5.35	€ 94
Total portfolio (value per sq. ft. in $)	**5.29**	**$ 181**	5.07	$ 176

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

Acquisitions

There were no acquisitions completed during the three and nine months ended September 30, 2024.

On February 17, 2023, pursuant to the Dream Industrial Summit JV transaction, we acquired Dream Summit Industrial Management Corp. ("DSIM", formerly Summit Industrial Income Management Corp.) for nominal consideration. DSIM assists a subsidiary of the Trust in providing property management and leasing services to the Dream Summit JV at market rates. A subsidiary of DAM is the asset manager of the Dream Summit JV and we pay fees on our interest in the Dream Summit JV under the North American AMA.

For the year ended December 31, 2023, we acquired investment properties for gross proceeds net of adjustments and before transaction costs totalling $5.0 million.

Dispositions

The following dispositions were completed during the nine months ended September 30, 2024.

	Fair value of investment properties[1]	Date disposed
Innsbruckweg 40–140, Rotterdam, Netherlands[2]	$ 4,833	June 18, 2024
Regina properties (various)[3]	41,585	June 24, 2024
Klompenmakerstraat 3–5, Ridderkerk, Netherlands[2]	3,949	July 15, 2024
Total	$ 50,367	

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

(2) Dispositions in Europe were settled in euros and translated into Canadian dollars as at the respective transaction date.

(3) This disposition comprised six investment properties that were owned in Regina, Saskatchewan.

As partial consideration for the sale of the six Regina properties during the prior quarter, we entered into a vendor take-back secured loan ("VTB loan") with the purchaser for a principal amount of $29.1 million, with the remainder of the sale proceeds settled in cash. The VTB loan matures in 25 months following the closing date and bears a fixed rate of interest at 6.5% per annum.

Subsequent to the quarter, we completed the disposition of an investment property in Montréal, Québec for total gross proceeds of $20.3 million.

For the year ended December 31, 2023, we disposed of investment properties located in the Netherlands totalling $6.9 million.

Capital expenditures

We invest capital in our investment properties to help ensure optimal building performance, improve the experience of our tenants and 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. This also includes capital expenditures for the purposes of greenfield development, redevelopment 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 upgrade properties to our 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, we continued to allocate capital to our development pipeline with approximately 1.2 million square feet of projects currently underway or in advanced stages of planning.

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, which are completed on certain properties and are expected to increase our 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 Europe, a rooftop solar project was substantially completed and commenced producing revenue during the quarter, and one project is currently under construction.
- In Western Canada, one rooftop solar project commenced producing revenue in the quarter, and one solar project is in the final stages of testing.

The following table summarizes total capital expenditures incurred during the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Recoverable capital expenditures	**$ 6,118**	$ 5,805	**$ 10,920**	$ 16,530
Non-recoverable capital expenditures	**1,838**	3,321	**4,652**	5,513
Recoverable and non-recoverable capital expenditures	**7,956**	9,126	**15,572**	22,043
Development capital expenditures	**1,896**	3,766	**3,233**	14,012
Value-add capital expenditures	**2,176**	1,955	**8,220**	5,511
Capital expenditures on income-producing properties(1)	**$ 12,028**	$ 14,847	**$ 27,025**	$ 41,566
Capital expenditures on properties held for development(2)	**19,198**	51,104	**73,612**	86,557
Total capital expenditures	**$ 31,226**	$ 65,951	**$ 100,637**	$ 128,123

(1) For the three and nine months ended September 30, 2024, excludes capitalized interest of $nil and $177, respectively (for the three and nine months ended September 30, 2023, excludes capitalized interest of $140 and $255, respectively).

(2) For the three and nine months ended September 30, 2024, excludes capitalized interest of $1,901 and $6,466, respectively (for the three and nine months ended September 30, 2023, excludes capitalized interest of $2,000 and $3,790, respectively).

Total capital expenditures for the three and nine months ended September 30, 2024 decreased by $34.7 million and $27.5 million, respectively, compared to the prior year comparative periods. Recoverable capital expenditures for the nine months ended September 30, 2024 decreased compared to the comparative prior year period due to the completion of a larger roofing upgrade initiative in 2023 to increase the energy efficiency of our roofs to align with our sustainability initiatives. Development capital expenditures on our income-producing properties decreased due to the completion of two expansion projects in Québec in the first half of 2023. We have incurred higher value-add capital expenditure work relating to solar panels in Western Canada and Europe. Development capital expenditures on our properties held for development have decreased in 2024 as three projects were substantially completed in the past year. We continue to execute on the development projects as described within this MD&A.

Lease incentives and initial direct leasing costs

Lease incentives include costs incurred to make leasehold improvements to tenant spaces 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.

The following table summarizes leasing incentives and leasing costs reported for the three and nine months ended September 30, 2024 and September 30, 2023, and includes 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.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Lease incentives and initial direct leasing costs	**$ 3,585**	$ 3,012	**$ 12,593**	$ 6,915

Lease incentives and initial direct leasing costs for the three and nine months ended September 30, 2024 increased by $0.6 million and $5.7 million, respectively, compared to the prior year comparative periods, primarily driven by early renewals of a few larger tenants and a higher volume of leases transacted during the year.

Valuations of externally appraised investment properties

For the nine months ended September 30, 2024, 64 investment properties were valued by qualified external valuation professionals representing 20.3% of total investment property values, excluding acquired properties (for the year ended December 31, 2023 – 74 investment properties were externally appraised representing 20.9% of total investment property values, excluding acquired properties).

Fair value adjustments to investment properties

For the three months ended September 30, 2024, we recorded a fair value loss to investment properties of $10.2 million, which was primarily driven by fair value losses in Europe and Québec. In Canada, we recorded fair value gains in Western Canada, and Ontario remained flat.

For the nine months ended September 30, 2024, we recorded a fair value loss to investment properties of $15.7 million, which was primarily driven by fair value losses in Europe and Ontario. In Canada, we recorded fair value gains in Western Canada and Québec.

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 exposure. 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.

Debt summary

Our discussion of debt includes CCIRS. However, pursuant to IFRS Accounting Standards, CCIRS are included in “Derivatives and other non-current assets” in the condensed consolidated financial statements.

		As at	
	September 30, 2024	December 31, 2023	September 30, 2023
Financing metrics and other information			
Credit rating – DBRS	**BBB (mid)**	BBB (mid)	BBB (mid)
Net total debt-to-total assets (net of cash and cash equivalents) ratio(1)	**36.3%**	36.0%	35.1%
Net total debt-to-normalized adjusted EBITDAFV ratio (years)(1)	**8.0**	7.7	8.2
Interest coverage ratio (times)(1)	**5.2**	6.0	6.7
Weighted average face interest rate on debt (period-end)(2)	**2.48%**	2.35%	2.33%
Weighted average remaining term to maturity on debt (years)	**2.7**	2.7	3.0
Non-current debt	**$ 2,877,641**	$ 2,537,090	$ 2,522,315
Total assets	**$ 8,080,379**	$ 7,858,340	$ 7,852,450
Interest expense on debt and other financing costs(3)	**$ 52,326**	$ 54,379	$ 38,859
Total debt(4)	**$ 2,955,237**	$ 2,839,753	$ 2,763,094
Unsecured debt(5)	**$ 2,471,251**	$ 2,257,354	$ 2,190,104
Secured debt as a percentage of total assets(4)	**6.0%**	7.4%	7.3%
Unencumbered investment properties (period-end)(5)	**$ 5,804,256**	$ 5,401,880	$ 5,336,243
Unencumbered investment properties as a percentage of investment properties(5)	**82.2%**	78.0%	77.9%
Cash and cash equivalents	**$ 78,703**	$ 49,916	$ 64,948
Available liquidity (period-end)(4)	**$ 820,476**	$ 491,868	$ 526,655

(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.

(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) Represents the financial results for the nine months ended September 30, 2024, for the year ended December 31, 2023 and for the nine months ended September 30, 2023.

(4) Total debt and available liquidity are non-GAAP financial measures. See the “Non-GAAP Financial Measures” section for additional information.

(5) 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.

Liquidity and capital resources

Dream Industrial REIT’s primary sources of capital are cash generated from 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 remaining due within this year total approximately $0.8 million, and there are no remaining debt maturities that are due within this year. 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 $741.8 million, cash and cash equivalents of $78.7 million and unencumbered investment properties pool of $5.8 billion, we have sufficient liquidity and capital resources as at September 30, 2024 to fulfill our ongoing obligations. In addition, we maintained a strong and flexible balance sheet with secured and unsecured debt representing only 6% and 31% of our total assets (which are supplementary financial measures and ratios) and our net total debt-to-total assets (net of cash and cash equivalents) ratio (a non-GAAP ratio) was 36.3% as at September 30, 2024.

In February 2024, DBRS Morningstar (“DBRS”) confirmed the Trust’s Issuer Rating and the credit rating of its Debentures (see “Financing Activities” section below) at BBB (mid) with Stable trends. For additional information on the debt of the Trust, please refer to our MD&A for the twelve months ended December 31, 2023 contained in our 2023 Annual Report, which is available on SEDAR+ (www.sedarplus.com).

Financing activities

Mortgages

During the nine months ended September 30, 2024, we repaid one mortgage in Canada and five mortgages in Europe at maturity totalling $108.9 million with a weighted average face interest rate of 1.81% per annum.

During the year ended December 31, 2023, we discharged one mortgage and repaid an additional eight mortgages in Europe totalling $164.3 million with a face interest rate of 1.26% per annum, by utilizing our unsecured revolving credit facility. Additionally, we closed on $231.1 million of new mortgages and refinanced $99.0 million of mortgages in Europe with weighted average face and effective interest rates of 4.93% and 5.20% per annum, respectively. The proceeds were used to repay the drawdown on the unsecured revolving credit facility.

€153 million Unsecured Term Loan

On June 13, 2024, we closed on an unsecured term loan (the "€153M Unsecured Term Loan") maturing on June 13, 2027 with two one-year extension options to be exercised at our discretion, subject to certain conditions. The €153M Unsecured Term Loan bears interest at the Euro Interbank Offered Rate ("EURIBOR") plus spread. On the same day, we entered into an IRS agreement, maturing on June 13, 2029, to fix the floating interest rate to 4.014%. The proceeds were used to repay the Euro leg of the Series B Debentures' CCIRS that matured on June 17, 2024 and to fund European mortgage repayments.

$200 million Unsecured Term Loan

On February 14, 2023, we closed on an unsecured term loan (the "$200M Unsecured Term Loan") with an equivalent principal amount of $200 million maturing on February 14, 2026 with a one-year extension option. The $200M Unsecured Term Loan bears interest at the Canadian Overnight Repo Rate Average ("CORRA") plus spread or Canadian prime rate plus spread on Canadian dollar draws, or the Federal Reserve Bank of New York ("SOFR") plus spread or base rate plus spread on U.S. dollar draws.

We fully drew down a principal amount of US$145 million (equivalent to $200 million) and entered into a CCIRS arrangement, maturing on March 15, 2028, to swap the U.S. dollar proceeds to Canadian dollars and to fix the floating interest rate to 4.848%. On July 26, 2024, we extended the maturity of our $200M Unsecured Term Loan to March 15, 2028, which is co-terminus with the related CCIRS.

Unsecured revolving credit facility

In August 2024, we upsized our $500 million unsecured revolving credit facility to $750 million, and extended the maturity date from August 9, 2028 to August 13, 2029, while maintaining the $250 million accordion option. The unsecured revolving credit facility bears interest at the CORRA rates plus spread or Canadian prime rate plus spread on Canadian dollar draws, the SOFR plus spread or the U.S. prime rate plus spread on U.S. dollar draws, or the Euro Interbank Offered Rate ("EURIBOR") plus spread on euro draws.

Replacement of CDOR with CORRA

The administrator of the Canadian Dollar Offered Rate ("CDOR") ceased publication of CDOR on June 28, 2024, and the Canadian financial benchmark was replaced by the CORRA. The fallback provisions of the unsecured revolving credit facility, the $200 million Unsecured Term Loan and the US$250 million unsecured term loan have been appropriately updated to transition from CDOR to CORRA for Canadian drawdowns, effective June 28, 2024. The change had no economic impact on any debt and related derivatives pertaining to the Trust.

The amounts available and drawn under the revolving credit facility as at September 30, 2024 are as follows:

	September 30, 2024				
	Maturity date	Borrowing capacity	Letters of credit amount	Principal outstanding	Amounts available to be drawn
Unsecured revolving credit facility(1)	August 13, 2029	$ 750,000	$ 8,227	$ —	$ 741,773

(1) The unsecured revolving credit facility has the ability to be drawn in Canadian dollars, U.S. dollars and euros. At September 30, 2024, there was no principal amount outstanding.

As at December 31, 2023, $50.0 million was drawn on the unsecured revolving credit facility, which was fully repaid during Q1 2024, in addition to letters of credit totalling $8.0 million.

Debentures

We have the following outstanding debentures, all rated BBB (mid) with Stable trends by DBRS: the $450 million 1.662% Series A Debentures due 2025, the $400 million 2.057% Series C Debentures due 2027 (Series C Green Bonds), the $250 million 2.539% Series D Debentures due 2026 (Series D Green Bonds), the $200 million 3.968% Series E Debentures due 2026 (Series E Green Bonds), and the $400 million 5.383% Series F Debentures due 2028 (collectively, the "Debentures"; and the Series C Green Bonds, the Series D Green Bonds and the Series E Green Bonds, collectively, the "Green Bonds").

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.

$400 million Series F Debentures

On March 22, 2023, we completed a private placement offering of $200 million aggregate principal amount of Series F 5.383% Senior Unsecured Debentures at an issuance price of $1,000 per $1,000 principal amount, and maturing on March 22, 2028 (the "Series F Debentures"). On January 4, 2024, the Series F Debentures were reopened and we issued an additional $200 million at an issuance price of $1,004.51 per $1,000 principal amount (plus accrued interest from September 22, 2023) (collectively, the "$400 million Series F Debentures"). The Series F Debentures reopening has the same terms and conditions, and constitutes part of the same series, as the original $200 million aggregate principal amount of the Series F Debentures issued by us on March 22, 2023. Interest is payable on the $400 million Series F Debentures on March 22 and September 22 of each year. The $400 million Series F 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 F Debentures offering totalled $2.7 million.

$200 million Series B Debentures

On June 14, 2024, we unwound the CCIRS relating to the Series B Debentures that was maturing on June 17, 2024. The euro leg notional of €136 million was repaid using proceeds from the €153M Unsecured Term Loan and we received the Canadian dollar leg notional of $200 million. On June 17, 2024, we used the $200 million proceeds from the CCIRS to repay the Series B Debentures at maturity.

IRS and CCIRS arrangements

We lower our overall cost of borrowings and hedge our euro currency exposure by entering into CCIRS arrangements by replacing higher interest rate Canadian debt with lower interest rate euro equivalent debt.

The following table summarizes our IRS and CCIRS arrangements outstanding as at September 30, 2024 and December 31, 2023:

	Fair value as at September 30, 2024	Fair value as at December 31, 2023
Fair value through other comprehensive income		
Assets(1)	**$ 35,622**	$ 30,981
Liabilities	**(51,097)**	(23,367)
Fair value through profit or loss		
Assets(2)	**3,006**	6,813
Liabilities	**(12,222)**	(4,601)

(1) As at September 30, 2024, there is no CCIRS in a current asset position (December 31, 2023 – $1,751 was due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements).

(2) As at September 30, 2024, $880 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the condensed consolidated financial statements (December 31, 2023 – $1,148 was due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements).

IRS and CCIRS

The table below summarizes the effects of the weighted average face interest rate (including and excluding CCIRS) by type of debt as at September 30, 2024 and December 31, 2023.

				As at
	September 30, 2024		December 31, 2023	
	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	**4.20%**	**4.20%**	3.78%	3.78%
Unsecured term loans	**2.82%**	**5.70%**	2.32%	6.86%
Unsecured debentures	**1.83%**	**3.03%**	1.73%	3.08%
Unsecured revolving credit facility	**—%**	**—%**	6.89%	6.89%
Total	**2.48%**	**3.91%**	2.35%	3.98%

Debt maturity profile

Our current debt maturity profile is well staggered over the next five years. We manage our maturity schedule by limiting maturity exposure in any given year while mitigating interest rate risk. When the market conditions are favourable, we extend loan terms and fix interest rates. For the maturities in 2025, all $847.8 million are euro equivalent debt.

The following is the debt maturity profile by type of debt as at September 30, 2024. Of the total debt of $2,951.3 million, $2,273.2 million is euro equivalent debt and the balance of $678.1 million is Canadian dollar equivalent debt.

	Unsecured term loans and revolving credit facility		Debentures		Mortgages			Total	
	Amount	Weighted average interest rate[8]	Amount	Weighted average interest rate[8]	Amount	Weighted average interest rate	Scheduled principal repayments	Amount	Weighted average interest rate[8]
2024	$ —	—%	$ —	—%	$ —	—%	$ 773	$ 773	—%
2025[1]	337,475	0.78%	450,000	0.40%	60,342	1.05%	2,700	850,517	0.60%
2026[2]	—	—%	450,000	1.21%	—	—%	2,798	452,798	1.22%
2027[3]	—	—%	400,000	0.55%	—	—%	2,900	402,900	0.55%
2028[4]	195,157	4.85%	400,000	5.38%	359,620	4.88%	3,005	957,782	5.08%
2029–2030[5]	230,663	4.01%	—	—%	54,069	3.41%	1,750	286,482	3.88%
Total	**$ 763,295**	**2.82%**	**$ 1,700,000**	**1.83%**	**$ 474,031**	**4.20%**	**$ 13,926**	**$ 2,951,252**	**2.48%**
Fair value of CCIRS[6]								15,475	
Unamortized financing costs								(12,199)	
Unamortized fair value adjustments								709	
Total debt[7]								**$ 2,955,237**	
Fair value of CCIRS[6]								(15,475)	
Less: Current debt								(62,121)	
Non-current debt (per condensed consolidated financial statements)								**$ 2,877,641**	

(1) The debt balance due in 2025 includes an unsecured term loan of $337,475 or €241,546 maturing in November 2025, Series A Debentures of $450,000 or €296,973 maturing in December 2025, and European mortgages of $60,342 or €40,025 maturing in February 2025.

(2) The debt balance due in 2026 includes Series E Debentures of $200,000 or €143,926 maturing in April 2026, and Series D Debentures of $250,000 or €174,544 maturing in December 2026.

(3) The debt balance due in 2027 includes Series C Debentures of $400,000 or €271,499 maturing in June 2027.

(4) The debt balance due in 2028 includes an unsecured term loan of $195,157 or US$144,573 maturing in March 2028, Series F Debentures of $400,000 maturing in March 2028, European mortgages of $344,571 or €228,556 maturing in September 2028, and a Canadian mortgage of $15,049 maturing in December 2028.

(5) The debt balance due in 2029 includes an unsecured term loan of $230,663 or €153,000 maturing in June 2029, a Canadian mortgage of $39,830 maturing in August 2029, and the debt balance due in 2030 includes a Canadian mortgage of $14,239 maturing in January 2030.

(6) As at September 30, 2024, the CCIRS were in a net liability position, with $35,622 in "Derivatives and other non-current assets" and $51,097 in "Derivatives and other non-current liabilities" in the condensed consolidated financial statements.

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

(8) The total weighted average interest rate includes the net fair value of CCIRS relating to unsecured term loans of $(10,074) and debentures of $(5,401).

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 September 30, 2024, our remaining contractual commitments related to construction and development projects amounted to $36.2 million (December 31, 2023 – $96.5 million).

As at September 30, 2024, our contractual commitment of capital contributions to the U.S. Fund is US$9.7 million (December 31, 2023 – US$9.7 million).

OUR EQUITY

Total equity

Our total equity[1] includes LP B Units, which are economically equivalent to REIT Units. However, pursuant to the IFRS Accounting Standards, the LP B Units are classified as a liability in our condensed consolidated financial statements.

									As at
	September 30, 2024			December 31, 2023			September 30, 2023		
	Number of Units		**Amount**	Number of Units		Amount	Number of Units		Amount
REIT Units and unitholders' equity	**276,675,513**	**$**	**3,384,612**	273,243,349	$	3,339,660	272,122,801	$	3,325,313
Retained earnings	**—**		**1,196,210**	—		1,191,907	—		1,248,890
Accumulated other comprehensive income	**—**		**79,858**	—		43,330	—		51,201
Total equity per condensed consolidated financial statements	**276,675,513**		**4,660,680**	273,243,349		4,574,897	272,122,801		4,625,404
Add: LP B Units	**13,346,572**		**192,724**	13,346,572		186,318	13,346,572		171,370
Total equity (including LP B Units)[1]	**290,022,085**	**$**	**4,853,404**	286,589,921	$	4,761,215	285,469,373	$	4,796,774
NAV per Unit[2]		**$**	**16.73**		$	16.61		$	16.80

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

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

Total equity as per the condensed consolidated financial statements as at September 30, 2024 was $4.7 billion, remaining largely consistent with the $4.6 billion reported as at December 31, 2023. The increase of $85.8 million was mainly generated from net income of $150.0 million, other comprehensive income of $36.5 million and the Distribution Reinvestment and Unit Purchase Plan ("DRIP") of $41.3 million, net of distributions of $145.7 million during the nine months ended September 30, 2024.

NAV per Unit as at September 30, 2024 increased to $16.73 from $16.61 at December 31, 2023, primarily due to an increase in net income and accumulated other comprehensive income balances.

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 be issued only 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 September 30, 2024 and December 31, 2023:

		As at
	September 30, 2024	December 31, 2023
Number of REIT Units held by Dream Office REIT	**192,735**	192,735
Number of LP B Units held by Dream Office REIT	**13,346,572**	13,346,572
Total number of Units held by Dream Office REIT	**13,539,307**	13,539,307
Dream Office REIT's percentage ownership of the Trust	**4.7%**	4.7%

During the year ended December 31, 2023, Dream Office REIT exchanged 5,205,283 LP B Units to REIT Units in connection with the secondary bought deal offering that was completed on May 16, 2023.

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, 2024	273,243,349	13,346,572	286,589,921
REIT Units issued pursuant to DRIP	3,145,100	—	3,145,100
REIT Units issued pursuant to Deferred Unit Incentive Plan (“DUIP”) and Unit Purchase Plan	287,064	—	287,064
Total Units outstanding as at September 30, 2024	**276,675,513**	**13,346,572**	**290,022,085**
Percentage of all Units	95.4%	4.6%	100.0%
REIT Units issued pursuant to DRIP	315,413	—	315,413
REIT Units issued pursuant to DUIP and Unit Purchase Plan	1,873	—	1,873
Total Units outstanding as at November 1, 2024	**276,992,799**	**13,346,572**	**290,339,371**
Percentage of all Units	95.4%	4.6%	100.0%

Secondary offering of REIT Units and exchange of subsidiary redeemable units

On May 8, 2023, we filed a prospectus supplement to its final base shelf prospectus dated November 26, 2021 to qualify the distribution of REIT Units by Dream Office REIT (“the Selling Unitholder”), and on May 16, 2023, we closed on a secondary bought deal offering, along with the Selling Unitholder, 12,500,000 REIT Units at a price of $14.20 per Unit, for gross total proceeds of $177.5 million (the “Offering”). All proceeds were paid to the Selling Unitholder. We did not receive any proceeds of the Offering.

In connection with the Offering, the Selling Unitholder exercised its option to exchange 5,205,283 subsidiary redeemable units of Dream Industrial LP, a subsidiary of the Trust, for REIT Units on a one-for-one basis, and a corresponding number of Special Trust Units were automatically redeemed for a nominal amount and cancelled on exchange of such subsidiary redeemable units. The exchange of the subsidiary redeemable units to REIT Units was recorded based on the May 5, 2023 closing price of the Units on the TSX of $14.22 for a total of $74.0 million. As at September 30, 2024, 13,346,572 subsidiary redeemable units and Special Trust Units were issued and outstanding.

Short form base shelf prospectus

On September 6, 2023, we filed and obtained a receipt for a final short form base shelf prospectus dated September 5, 2023 that is valid for a 25-month period, during which time we may offer and issue, from time to time, REIT Units, Subscription Receipts and debt securities, or any combination thereof. No REIT Units have been issued under the short form base shelf prospectus dated September 5, 2023.

As at September 30, 2023, $635.0 million of REIT Units have been issued under the short form base shelf prospectus dated November 26, 2021, which has expired and been replaced with the short form base shelf prospectus dated September 5, 2023.

ATM Program

On September 6, 2023, we filed a prospectus supplement to the final short form base shelf prospectus dated September 5, 2023, which qualified us 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 marketplaces to the extent permitted.

During the nine months ended September 30, 2024, there were no issuances under the ATM Program.

During the year ended December 31, 2023, we issued 7,510,426 REIT Units under the ATM Program dated November 30, 2021 at a weighted average price of $14.27 per REIT Unit for gross proceeds of $107.1 million. Total costs related to the issuance of these REIT Units amounted to $2.1 million and were charged directly to unitholders’ equity. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $105.0 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. The Board of Trustees and management also review the FFO payout ratio (a non-GAAP financial ratio) as a metric for evaluating the Trust's distribution capacity.

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 Accounting Standards, 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 nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,	
	2024	2023
Distributions paid in cash on REIT Units	**$ (35,470)**	$ (33,042)
Paid by way of reinvestment in REIT Units[1]	**(13,215)**	(14,209)
Less: Payable at June 30, 2024/June 30, 2023	**16,080**	15,376
Add: Payable at September 30, 2024/September 30, 2023	**(16,138)**	(15,873)
Total distributions paid and payable on REIT Units (per condensed consolidated financial statements)	**$ (48,743)**	$ (47,748)

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

	Nine months ended September 30,	
	2024	2023
Distributions paid in cash on REIT Units	**$ (104,164)**	$ (100,596)
Paid by way of reinvestment in REIT Units[1]	**(41,309)**	(37,699)
Less: Payable at December 31, 2023/December 31, 2022	**15,938**	14,968
Add: Payable at September 30, 2024/September 30, 2023	**(16,138)**	(15,873)
Total distributions paid and payable on REIT Units (per condensed consolidated financial statements)	**$ (145,673)**	$ (139,200)

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

The following tables summarize the total distributions (a non-GAAP financial measure) on REIT Units and subsidiary redeemable units and DRIP participation rate (a non-GAAP ratio) for the three and nine months ended September 30, 2024 and September 30, 2023:

		Three months ended September 30, 2024			Three months ended September 30, 2023	
		Amount	**% of total**		Amount	% of total
Distributions reinvested less 3% bonus distribution[1] (DRIP participation rate)[2]	**$**	**12,696**	**25.1%**	$	13,858	27.9%
Distributions paid in cash[1]		**37,868**	**74.9%**		35,812	72.1%
Total distributions excluding 3% bonus distribution		**50,564**	**100.0%**		49,670	100.0%
3% bonus distribution		**515**			414	
Total distributions[1]	**$**	**51,079**		$	50,084	

(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 is a non-GAAP ratio. See the "Non-GAAP Ratios" section for additional information.

		Nine months ended September 30, 2024			Nine months ended September 30, 2023	
		Amount	**% of total**		Amount	% of total
Distributions reinvested less 3% bonus distribution[1] (DRIP participation rate)[2]	**$**	**39,613**	**26.2%**	$	37,686	25.8%
Distributions paid in cash[1]		**111,735**	**73.8%**		108,637	74.2%
Total distributions excluding 3% bonus distribution		**151,348**	**100.0%**		146,323	100.0%
3% bonus distribution		**1,333**			1,098	
Total distributions[1]	**$**	**152,681**		$	147,421	

(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 is a non-GAAP ratio. 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 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, we anticipate that future cash flows generated from 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, we do not anticipate suspending cash distributions in the foreseeable future.

To the extent that cash generated from operating activities less interest and other financing costs paid on debt may be less than the total distributions (a non-GAAP financial measure), we 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 us to borrow under the unsecured revolving credit facility, and the risk associated with increasing our overall indebtedness. See the "Unsecured revolving credit facility" section in Note 7 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, we do not anticipate that cash distributions will be suspended in the foreseeable future but do 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. We determine the distribution rate by, among other considerations, an 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, we anticipate 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, we do 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 (loss), total REIT Unit distributions paid and payable, and total distributions (a non-GAAP financial measure) for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Cash generated from operating activities	**$ 84,277**	$ 72,088	**$ 216,634**	$ 207,220
Interest and other financing costs paid on debt	**(19,754)**	(12,644)	**(49,487)**	(36,920)
Net income	**13,829**	50,494	**149,976**	113,116
Total REIT Unit distributions paid and payable	**(48,743)**	(47,748)	**(145,673)**	(139,200)
Total distributions(1)	**(51,079)**	(50,084)	**(152,681)**	(147,421)

(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 (loss) 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 September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
(Shortfall) excess of net income over total distributions(1)(2)	**$ (37,250)**	$ 410	**$ (2,705)**	$ (34,305)
Excess of cash generated from operating activities less interest and other financing costs paid on debt over total distributions(2)(3)	**13,444**	9,360	**14,466**	22,879

(1) Excess (shortfall) 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) Excess 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 nine months ended September 30, 2024, total distributions exceeded net income (a non-GAAP financial measure) by $37.3 million and $2.7 million, respectively, as a result of non-cash items such as fair value adjustments to investment properties and fair value adjustments to financial instruments, which are included in net income. For the three months ended September 30, 2023, net income exceeded total distributions (a non-GAAP financial measure) by $0.4 million and for the nine months ended September 30, 2023, total distributions (a non-GAAP financial measure) exceeded net income by $34.3 million, as a result of non-cash items such as share of net income (loss) 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 nine months ended September 30, 2024, cash flows generated from operating activities less interest and other financing costs paid on debt exceeded total distributions (a non-GAAP financial measure) by $13.4 million and $14.5 million, respectively. For the three and nine months ended September 30, 2023, cash flows generated from operating activities less interest and other financing costs paid on debt exceeded total distributions (a non-GAAP financial measure) by $9.4 million and $22.9 million, respectively.

For the nine months ended September 30, 2024, our FFO payout ratio (a non-GAAP financial ratio) was 71% (for the nine months ended September 30, 2023 – 72%).

Of the total distributions (a non-GAAP financial measure) declared for the three and nine months ended September 30, 2024, $13.2 million and $40.9 million, respectively, were reinvested through the DRIP (including 3% bonus distribution). Of the total distributions (a non-GAAP financial measure) declared for the three and nine months ended September 30, 2023, $14.3 million and $38.8 million, respectively, were reinvested through the DRIP (including 3% bonus distribution). 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 the 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 us to convert foreign denominated currencies for the three and nine months ended September 30, 2024, June 30, 2024, December 31, 2023 and September 30, 2023 are summarized in the table below:

				Three months ended
	September 30, 2024	June 30, 2024	December 31, 2023	September 30, 2023
CAD per US$1.00 (average during period)(1)	**$ 1.3641**	$ 1.3683	$ 1.3624	$ 1.3414
CAD per US$1.00 (period-end)(1)	**1.3499**	1.3687	1.3226	1.3520
CAD per €1.00 (average during period)(1)	**1.4984**	1.4730	1.4660	1.4593
CAD per €1.00 (period-end)(1)	**1.5076**	1.4659	1.4626	1.4304

(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 table shows quarterly information since October 1, 2022.

Key portfolio, leasing, financing and capital information

	2024			2023				2022
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Portfolio								
Number of assets(1)(2)	**338**	339	345	344	343	341	321	257
GLA (in millions of sq. ft.)(3)	**71.9**	71.9	71.8	71.4	70.6	70.3	70.4	47.3
Leasing								
Occupancy rate – in-place and committed (period-end)(3)	**95.5%**	95.4%	96.4%	96.2%	97.2%	98.0%	98.6%	98.9%
Tenant retention ratio	**68.6%**	59.0%	86.9%	72.8%	61.2%	87.3%	76.6%	82.0%
Average in-place and committed base rent per sq. ft. (period-end)(4)								
Canadian portfolio	**$ 10.33**	$ 9.92	$ 9.73	$ 9.54	$ 9.37	$ 9.00	$ 8.71	$ 8.46
European portfolio (€)	**€ 5.64**	€ 5.59	€ 5.59	€ 5.49	€ 5.42	€ 5.39	€ 5.32	€ 5.12
Operating results								
Investment properties revenue	**$ 116.8**	$ 115.3	$ 114.6	$ 110.9	$ 109.4	$ 110.5	$ 106.8	$ 98.9
Net rental income	**$ 90.5**	$ 87.7	$ 85.9	$ 85.2	$ 84.5	$ 83.0	$ 81.5	$ 75.5
Net income (loss)	**$ 13.8**	$ 61.6	$ 74.6	$ (8.8)	$ 50.5	$ 80.4	$ (17.7)	$ (34.1)
Net income (loss) per Unit – diluted	**$ 0.05**	$ 0.21	$ 0.26	$ (0.03)	$ 0.18	$ 0.29	$ (0.06)	$ (0.12)
FFO(5)	**$ 74.0**	$ 71.1	$ 69.3	$ 69.3	$ 69.4	$ 67.8	$ 68.1	$ 64.0
FFO per Unit – diluted(6)(7)	**$ 0.26**	$ 0.25	$ 0.24	$ 0.24	$ 0.25	$ 0.25	$ 0.25	$ 0.23
Financing								
Net total debt-to-total assets (net of cash and cash equivalents) ratio(7)	**36.3%**	35.9%	36.1%	36.0%	35.1%	36.2%	36.0%	31.7%
Net total debt-to-normalized adjusted EBITDAFV ratio (years)(7)	**8.0**	8.1	8.5	7.7	8.2	9.0	9.3	8.3
Non-current debt	**$ 2,877.6**	$ 2,870.3	$ 2,640.8	$ 2,537.1	$ 2,522.3	$ 2,469.1	$ 2,554.3	$ 2,137.4
Total debt(5)	**$ 2,955.2**	$ 2,925.1	$ 2,936.1	$ 2,839.8	$ 2,763.1	$ 2,814.7	$ 2,834.1	$ 2,337.4
Unencumbered investment properties (in millions)(8)	**$ 5,804.3**	$ 5,683.4	$ 5,560.5	$ 5,401.9	$ 5,336.2	$ 5,869.6	$ 5,403.3	$ 5,313.1
Investment properties	**$ 7,057.2**	$ 6,962.8	$ 6,966.6	$ 6,924.3	$ 6,854.5	$ 6,835.0	$ 6,835.1	$ 6,759.4
Capital								
Total equity (per condensed consolidated financial statements)	**$ 4,660.7**	$ 4,666.1	$ 4,635.5	$ 4,574.9	$ 4,625.4	$ 4,511.4	$ 4,427.3	$ 4,452.7
NAV per Unit(7)	**$ 16.73**	$ 16.73	$ 16.72	$ 16.61	$ 16.80	$ 16.97	$ 17.03	$ 16.97
Unit price	**$ 14.44**	$ 12.67	$ 13.18	$ 13.96	$ 12.84	$ 14.11	$ 14.70	$ 11.69

(1) Number of assets comprises a building, or a cluster of buildings in close proximity to one another, attracting similar tenants. The number of assets within the Dream Summit JV portfolio for the comparative periods following acquisition have been updated to reflect revised cluster definitions within this portfolio.

(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 investments as at the end of each period as applicable.

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

(5) FFO and Total debt are non-GAAP financial measures. See the "Non-GAAP Financial Measures" section for additional information.

(6) 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".

(7) 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) and NAV per Unit are non-GAAP ratios. See the "Non-GAAP Ratios" section for additional information.

(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.

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, 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 tax 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.

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 Accounting Standards and do not have standard meanings. Our 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 the 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 Accounting Standards, 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, the Real Property Association of Canada ("REALPAC") issued an updated guidance on "Funds from Operations" and "Adjusted Funds from Operations" for IFRS Accounting Standards. We have 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, we are 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 IFRS financial measure) in the table below for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Net income for the period	**$ 13,829**	$ 50,494	**$ 149,976**	$ 113,116
Add (deduct):				
Fair value adjustments to investment properties	**10,155**	33,522	**15,689**	22,745
Fair value adjustments to financial instruments	**40,831**	(15,094)	**25,079**	40,364
Share of net income from equity accounted investments	**(5,037)**	(10,154)	**(20,551)**	(3,500)
Interest expense on subsidiary redeemable units	**2,336**	2,336	**7,008**	8,221
Amortization and write-off of lease incentives	**912**	1,105	**2,540**	2,530
Internal leasing costs	**1,667**	1,127	**4,363**	3,224
Fair value adjustments to deferred trust units included in G&A	**(14)**	(35)	**(115)**	(93)
Foreign exchange loss (gain)	**50**	(1,199)	**1,941**	(1,342)
Share of FFO from equity accounted investments	**7,272**	6,802	**21,913**	18,395
Deferred income tax expense, net	**1,239**	415	**4,796**	870
Current income tax recovery related to dispositions	**—**	—	**(35)**	—
Transaction costs on acquisitions and dispositions and other	**791**	76	**1,783**	818
FFO for the period	**$ 74,031**	$ 69,395	**$ 214,387**	$ 205,348

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 (constant currency basis) as defined below and excluding the impact of foreign currency translation by converting the CP NOI (constant currency basis) denominated in foreign currency in the respective periods at the respective current period average exchange rates. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

When we compare CP NOI (constant currency basis) on a year-over-year basis for the three months ended September 30, 2024 and September 30, 2023, we exclude investment properties acquired on or after July 1, 2023. For the nine months ended September 30, 2024 and September 30, 2023, we exclude investment properties acquired on or after January 1, 2023. CP NOI (constant currency basis) also excludes NOI from sold properties and properties held for sale, as applicable, NOI from properties held for development during the current or comparative period, net property management and other income, straight-line rent, amortization of lease incentives, lease termination fees and other rental income, and bad debt provisions. CP NOI (constant currency basis) includes NOI from equity accounted investments and solar revenues.

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 "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 Accounting Standards, 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 Accounting Standards, 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 nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
Amounts included in condensed consolidated financial statements	**2024**	2023	**2024**	2023
Distributions on REIT Units	**$ 48,743**	$ 47,748	**$ 145,673**	$ 139,200
Interest on subsidiary redeemable units	**2,336**	2,336	**7,008**	8,221
Total distributions	**$ 51,079**	$ 50,084	**$ 152,681**	$ 147,421

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 the DRIP participation rate (a non-GAAP ratio). See the "Non-GAAP Ratios" section for a description of the 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 a cash distribution. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Distributions reinvested less 3% bonus distribution is reconciled to distributions reinvested (the most directly comparable IFRS financial measure) for the three and nine months ended September 30, 2024 and September 30, 2023.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Distributions reinvested as included in condensed consolidated financial statements	**$ 13,215**	$ 14,209	**$ 41,309**	$ 37,699
Less: Distributions reinvested pertaining to prior period	**(4,156)**	(4,470)	**(4,515)**	(3,448)
Add: Distributions reinvested on October 15, 2024 and October 16, 2023, respectively	**4,152**	4,533	**4,152**	4,533
Less: 3% bonus distribution	**(515)**	(414)	**(1,333)**	(1,098)
Distributions reinvested less 3% bonus distribution	**$ 12,696**	$ 13,858	**$ 39,613**	$ 37,686

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 IFRS financial measure) for the three and nine months ended September 30, 2024 and September 30, 2023. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Distributions paid on REIT Units	**$ 35,470**	$ 33,043	**$ 104,164**	$ 100,597
Interest paid on LP B Units	**2,336**	2,336	**7,008**	8,525
Less: Distributions paid on REIT Units pertaining to prior period	**(11,924)**	(10,905)	**(11,422)**	(11,520)
Less: Interest paid on LP B Units pertaining to prior period	**(778)**	(779)	**(779)**	(1,082)
Add: Distributions paid on October 15, 2024 and October 16, 2023, respectively	**11,986**	11,338	**11,986**	11,338
Add: Interest paid on LP B Units on October 15, 2024 and October 16, 2023, respectively	**778**	779	**778**	779
Distributions paid in cash	**$ 37,868**	$ 35,812	**$ 111,735**	$ 108,637

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. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The table below reconciles available liquidity to cash and cash equivalents (the most directly comparable IFRS financial measure) as at September 30, 2024, December 31, 2023 and September 30, 2023:

	September 30, 2024	December 31, 2023	September 30, 2023
Cash and cash equivalents per condensed consolidated financial statements	**$ 78,703**	$ 49,916	$ 64,948
Undrawn unsecured revolving credit facility[(1)]	**741,773**	441,952	461,707
Available liquidity	**$ 820,476**	$ 491,868	$ 526,655

(1) Net of letters of credit totalling $8,227, $8,048 and $6,293 as at September 30, 2024, December 31, 2023 and September 30, 2023, 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 Accounting Standards, 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 September 30, 2024, December 31, 2023 and September 30, 2023:

Amounts per condensed consolidated financial statements	**September 30, 2024**	December 31, 2023	September 30, 2023
Non-current debt	**$ 2,877,641**	$ 2,537,090	$ 2,522,315
Current debt	**62,121**	310,277	308,515
Fair value of CCIRS[(1)(2)]	**15,475**	(7,614)	(67,736)
Total debt	**$ 2,955,237**	$ 2,839,753	$ 2,763,094

(1) As at September 30, 2024, the CCIRS were in a net asset position and $35,622 was included in "Derivatives and other non-current assets" and $(51,097) in "Derivatives and other non-current liabilities" in the condensed consolidated financial statements (as at December 31, 2023 – the CCIRS were in a net asset position and $29,230 was included in "Derivatives and other non-current assets", $1,751 in "Prepaid expenses and other assets" and $(23,367) in "Derivatives and other non-current liabilities" in the consolidated financial statements).

(2) As at September 30, 2023, the CCIRS were in a net asset position and $64,935 was included in "Derivatives and other non-current assets", $5,470 in "Prepaid expenses and other assets" and $(2,669) 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 heading "Net total debt-to-total assets (net of cash and cash equivalents) ratio" below for details).

These non-GAAP financial measures are not defined by IFRS Accounting Standards, 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 September 30, 2024, December 31, 2023 and September 30, 2023:

	September 30, 2024	December 31, 2023	September 30, 2023
Non-current debt	**$ 2,877,641**	$ 2,537,090	$ 2,522,315
Add (deduct):			
Current debt	**62,121**	310,277	308,515
Fair value of CCIRS	**15,475**	(7,614)	(67,736)
Unamortized financing costs	**12,199**	11,410	12,278
Unamortized fair value adjustments	**(709)**	(189)	(344)
Cash and cash equivalents	**(78,703)**	(49,916)	(64,948)
Net total debt	**$ 2,888,024**	$ 2,801,058	$ 2,710,080
Total assets	**8,080,379**	7,858,340	7,852,450
Less: Fair value of CCIRS assets	**(35,622)**	(30,981)	(70,405)
Less: Cash and cash equivalents	**(78,703)**	(49,916)	(64,948)
Total assets (net of cash and cash equivalents)	**$ 7,966,054**	$ 7,777,443	$ 7,717,097

Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments (“Adjusted EBITDAFV”) and normalized adjusted EBITDAFV – annualized

Adjusted EBITDAFV is defined by us as net income for the period adjusted for share of net income from equity accounted investments, distributions from equity accounted investments, fair value adjustments to investment properties and financial instruments, net loss (gain) 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 tax 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 Accounting Standards, and is not necessarily indicative of cash available to fund the Trust’s needs. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Adjusted EBITDAFV is reconciled to net income (loss) (the most directly comparable IFRS financial measure) in the following table for the three months ended September 30, 2024, December 31, 2023 and September 30, 2023; for the nine months ended September 30, 2024, September 30, 2023 and September 30, 2022; and for the years ended December 31, 2023 and December 31, 2022:

	For the three months ended			For the nine months ended			For the year ended	
	September 30, 2024	December 31, 2023	September 30, 2023	**September 30, 2024**	September 30, 2023	September 30, 2022	December 31, 2023	December 31, 2022
Net income (loss) for the period	**$ 13,829**	$ (8,817)	$ 50,494	**$ 149,976**	$ 113,116	$ 740,032	$ 104,299	$ 705,885
Add (deduct):								
Fair value adjustments to investment properties	**10,155**	43,944	33,522	**15,689**	22,745	(428,528)	66,689	(363,025)
Fair value adjustments to financial instruments	**40,831**	27,695	(15,094)	**25,079**	40,364	(142,384)	68,059	(122,532)
Share of net (income) loss from equity accounted investments	**(5,037)**	(1,441)	(10,154)	**(20,551)**	(3,500)	(47,704)	(4,941)	(38,482)
Interest expense on debt and other financing costs	**17,937**	15,520	14,365	**52,326**	38,859	14,273	54,379	20,622
Interest expense on subsidiary redeemable units	**2,336**	2,336	2,336	**7,008**	8,221	9,739	10,557	12,986
Other items included in investment properties revenue[1]	**(2,604)**	(238)	(112)	**(4,585)**	(3,417)	(3,401)	(3,655)	(4,792)
Distributions from equity accounted investments	**7,790**	14,543	5,826	**21,646**	10,976	3,960	25,519	6,026
Deferred and current income tax expense (recovery), net	**1,901**	(4,354)	1,340	**6,683**	3,154	31,336	(1,200)	19,481
Net loss on transactions and other activities	**2,550**	2,131	(141)	**8,240**	2,631	8,132	4,762	16,805
Debt settlement costs	**—**	—	—	**—**	—	—	—	257
Adjusted EBITDAFV for the period	**$ 89,688**	$ 91,319	$ 82,382	**$ 261,511**	$ 233,149	$ 185,455	$ 324,468	$ 253,231

(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, which is a non-GAAP ratio.

The trailing 12-month adjusted EBITDAFV for the period ended September 30, 2024 is calculated as follows:

		Trailing 12-month period ended September 30, 2024
Adjusted EBITDAFV for the nine months ended September 30, 2024[1]	$	**261,511**
Add: Adjusted EBITDAFV for the year ended December 31, 2023[1]		**324,468**
Less: Adjusted EBITDAFV for the nine months ended September 30, 2023[1]		**(233,149)**
Trailing 12-month adjusted EBITDAFV	$	**352,830**

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the nine months ended September 30, 2024 and September 30, 2023, as well as for the year ended December 31, 2023, has been reconciled to net income for the respective periods within this section above.

The trailing 12-month adjusted EBITDAFV for the period ended September 30, 2023 is calculated as follows:

		Trailing 12-month period ended September 30, 2023
Adjusted EBITDAFV for the nine months ended September 30, 2023[1]	$	233,149
Add: Adjusted EBITDAFV for the year ended December 31, 2022[1]		253,231
Less: Adjusted EBITDAFV for the nine months ended September 30, 2022[1]		(185,455)
Trailing 12-month adjusted EBITDAFV	$	300,925

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the nine months ended September 30, 2023 and September 30, 2022, as well as for the year ended December 31, 2022, 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 September 30, 2024 is calculated as follows:

		Trailing 12-month period ended September 30, 2024
Interest expense on debt and other financing costs for the nine months ended September 30, 2024[1]	$	**52,326**
Add: Interest expense on debt and other financing costs for the year ended December 31, 2023[2]		**54,379**
Less: Interest expense on debt and other financing costs for the nine months ended September 30, 2023[1]		**(38,859)**
Trailing 12-month interest expense on debt and other financing costs	$	**67,846**

(1) Per the condensed consolidated financial statements.

(2) Per the consolidated financial statements.

The trailing 12-month interest expense on debt and other financing costs for the period ended September 30, 2023 is calculated as follows:

		Trailing 12-month period ended September 30, 2023
Interest expense on debt and other financing costs for the nine months ended September 30, 2023[1]	$	38,859
Add: Interest expense on debt and other financing costs for the year ended December 31, 2022[2]		20,622
Less: Interest expense on debt and other financing costs for the nine months ended September 30, 2022[1]		(14,273)
Trailing 12-month interest expense on debt and other financing costs	$	45,208

(1) Per the condensed consolidated financial statements.

(2) Per the consolidated financial statements.

Normalized adjusted EBITDAFV – annualized is calculated as the quarterly Adjusted EBITDAFV (a non-GAAP financial measure) plus normalized NOI of properties acquired and developments in the quarter less NOI of properties disposed of in the current quarter. Adjusted EBITDAFV (a non-GAAP financial measure) is defined above under the heading "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV")". Management believes that normalized adjusted EBITDAFV – annualized, a non-GAAP financial measure, provides our investors with additional relevant information based on our normalized operating performance. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

	September 30, 2024	December 31, 2023	September 30, 2023
Adjusted EBITDAFV – quarterly[1]	**$ 89,688**	$ 91,319	$ 82,382
Add (deduct):			
Normalized NOI of acquisitions, dispositions and developments in the quarter[2]	**756**	(76)	34
Normalized adjusted EBITDAFV – quarterly	**90,444**	91,243	82,416
Normalized adjusted EBITDAFV – annualized	**$ 361,776**	$ 364,972	$ 329,664

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the three months ended September 30, 2024, December 31, 2023 and September 30, 2023 is reconciled to net income (loss) for the respective periods in the table above.

(2) Represents the NOI had the acquisitions, developments and dispositions in the respective periods occurred for the full quarter.

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 Accounting Standards and do not have standard meanings. Our 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 the 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 Accounting Standards, 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 nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
FFO[1]	**$ 74,031**	$ 69,395	**$ 214,387**	$ 205,348
Diluted weighted average number of Units (in thousands)	**290,273**	283,237	**289,114**	278,770
FFO per Unit – diluted	**$ 0.26**	$ 0.25	**$ 0.75**	$ 0.74

(1) FFO is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information.

FFO payout ratio

FFO payout ratio is a non-GAAP ratio and it is calculated as total distributions divided by FFO (both non-GAAP financial measures) for the period. This non-GAAP ratio is used by the Board of Trustees, management and investors to monitor the Trust's distribution paying capacity. The table below summarizes the components used to determine the FFO payout ratio for the nine months ended September 30, 2024 and September 30, 2023.

	Nine months ended September 30,	
	2024	2023
Total distributions	**$ 152,681**	$ 147,421
FFO	**214,387**	205,348
FFO payout ratio	**71%**	72%

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 Accounting Standards, 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 the 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 September 30, 2024, December 31, 2023 and September 30, 2023:

	September 30, 2024	December 31, 2023	September 30, 2023
Net total debt(1)	**$ 2,888,024**	$ 2,801,058	$ 2,710,080
Total assets (net of cash and cash equivalents)(1)(2)	**7,966,054**	7,777,443	7,717,097
Net total debt-to-total assets (net of cash and cash equivalents) ratio	**36.3%**	36.0%	35.1%

(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 these non-GAAP financial measures, under the heading "Net total debt and total assets (net of cash and cash equivalents)".

(2) Excludes the fair value of CCIRS assets of $35,622, $30,981 and $70,405, as at September 30, 2024, December 31, 2023 and September 30, 2023, respectively, 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. Net total debt-to-normalized adjusted EBITDAFV ratio (years) is calculated as net total debt (a non-GAAP financial measure) divided by normalized adjusted EBITDAFV – annualized (a non-GAAP financial measure). This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Adjusted EBITDAFV (a non-GAAP financial measure) and normalized adjusted EBITDAFV – annualized (a non-GAAP financial measure) are defined above under the heading "Adjusted earnings before interest, taxes, depreciation, amortization and fair value adjustments ("Adjusted EBITDAFV") and normalized adjusted EBITDAFV – annualized". The net total debt-to-normalized adjusted EBITDAFV ratio (years) is determined as net total debt (a non-GAAP financial measure) divided by normalized adjusted EBITDAFV – annualized (a non-GAAP financial measure).

The following table calculates the annualized net total debt-to-normalized adjusted EBITDAFV as at September 30, 2024, December 31, 2023 and September 30, 2023:

	September 30, 2024	December 31, 2023	September 30, 2023
Net total debt[1]	$ 2,888,024	$ 2,801,058	$ 2,710,080
Normalized adjusted EBITDAFV – annualized[2]	361,776	364,972	329,664
Net total debt-to-normalized adjusted EBITDAFV ratio (years)	**8.0**	7.7	8.2

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

(2) Normalized adjusted EBITDAFV – annualized is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section for additional information.

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. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Interest coverage ratio as shown below is calculated as the trailing 12-month adjusted EBITDAFV (a non-GAAP financial measure) 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 Accounting Standards, the distributions are presented as interest expense.

The following table calculates the interest coverage ratio for the trailing 12-month period ended September 30, 2024 and September 30, 2023 and for the year ended December 31, 2023:

	For the trailing 12-month period ended September 30, 2024	For the year ended December 31, 2023	For the trailing 12-month period ended September 30, 2023
Adjusted EBITDAFV[1]	$ 352,830	$ 324,468	$ 300,925
Interest expense on debt and other financing costs	67,846	54,379	45,208
Interest coverage ratio (times)	**5.2**	6.0	6.7

(1) Adjusted EBITDAFV (a non-GAAP financial measure) for the trailing 12-month periods ended September 30, 2024 and September 30, 2023 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. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

The following table summarizes the components used to determine the DRIP participation rate for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Distributions reinvested less 3% bonus distribution[1]	$ 12,696	$ 13,858	$ 39,613	$ 37,686
Distributions paid in cash[1]	37,868	35,812	111,735	108,637
Total distributions excluding 3% bonus distribution	$ 50,564	$ 49,670	$ 151,348	$ 146,323
DRIP participation rate	**25.1%**	27.9%	**26.2%**	25.8%

(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 and nine months ended September 30, 2024 and September 30, 2023 have been reconciled to distributions reinvested and distributions paid on REIT Units, respectively, under the heading "Distributions reinvested less 3% bonus distribution and distributions paid in cash" 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 September 30, 2024, December 31, 2023 and September 30, 2023:

Amounts included in condensed consolidated financial statements	**September 30, 2024**	December 31, 2023	September 30, 2023
Investment properties	**$ 7,057,150**	$ 6,924,274	$ 6,854,490
Less: Pledged as collateral	**(1,252,894)**	(1,522,394)	(1,518,247)
Unencumbered investment properties	**$ 5,804,256**	$ 5,401,880	$ 5,336,243
Unencumbered investment properties as a percentage of investment properties	**82.2%**	78.0%	77.9%

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 September 30, 2024, December 31, 2023 and September 30, 2023:

Amounts included in condensed consolidated financial statements	**September 30, 2024**	December 31, 2023	September 30, 2023
Secured debt	**$ 483,986**	$ 582,399	$ 572,990
Total assets	**8,080,379**	7,858,340	7,852,450
Secured debt as a percentage of total assets	**6.0%**	7.4%	7.3%

Unsecured debt and unsecured debt as a percentage of total assets

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. Unsecured debt as a percentage of total assets is a supplementary financial ratio calculated as total unsecured debt divided by total assets. This supplementary financial measure and ratio are 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 September 30, 2024, December 31, 2023 and September 30, 2023:

Amounts included in condensed consolidated financial statements	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured revolving credit facility	**$ (1,933)**	$ 48,695	$ 30,546
Unsecured term loans	**761,725**	521,138	532,653
Unsecured debentures	**1,695,984**	1,695,135	1,694,641
Fair value of CCIRS[1]	**15,475**	(7,614)	(67,736)
Unsecured debt	**$ 2,471,251**	$ 2,257,354	$ 2,190,104
Total assets	**8,080,379**	7,858,340	7,852,450
Unsecured debt as a percentage of total assets	**31%**	29%	28%

(1) Attributed to unsecured term loans, unsecured debentures and the unsecured credit facility.

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 September 30, 2024, there were 736,777 unvested deferred trust units and associated income deferred trust units (September 30, 2023 – 664,163).

The table below summarizes the basic and diluted weighted average number of Units for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
Weighted average Units outstanding	**2024**	2023	**2024**	2023
Basic (in thousands)	**289,538**	282,577	**288,379**	278,110
Diluted (in thousands)	**290,273**	283,237	**289,114**	278,770

SECTION V

DISCLOSURE CONTROLS AND OUR PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

At September 30, 2024, the CEO and Chief Financial Officer ("CFO") of the Trust, along with the assistance of senior management, 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 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 Accounting Standards.

During the three and nine months ended September 30, 2024, 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 the global market, economic and political risks, geopolitical risks, foreign currency exchange risk, development risks, financing risks, interest rate risks and other risks, please refer to our latest Annual Report and Annual Information Form, each filed on SEDAR+ (www.sedarplus.com).

SECTION VII

CHANGES IN ACCOUNTING POLICIES

Amendments to IAS 1, "Presentation of Financial Statements"

Effective January 1, 2024, we have adopted amendments to IAS 1, "Presentation of Financial Statements" ("IAS 1"), relating to the classification of liabilities as current or non-current liabilities. We may be required to settle liabilities relating to subsidiary redeemable units classified as liabilities and fully vested DUIP units on demand by the holders and do not have the right to defer settlement of such liabilities for a period of more than twelve months from the reporting date. As a result, we have classified these liabilities where there is no right to defer settlement as current liabilities. The amendments have been applied retrospectively for all periods presented in accordance with the transitional provisions of IAS 1.

As a result of these amendments, the following reclassifications have been made to the presentation of the current and comparative condensed consolidated balance sheets:

			September 30, 2024
	Pre-amendments to IAS 1	**Adjustments**	**Post-amendments to IAS 1**
Liabilities			
NON-CURRENT LIABILITIES			
Subsidiary redeemable units	$ 192,724	$ (192,724)	$ —
DUIP (partially included in "Derivatives and other non-current liabilities")	19,713	(19,713)	—
Derivatives and other non-current liabilities	107,261	5,772	113,033
	319,698	(206,665)	113,033
CURRENT LIABILITIES			
Subsidiary redeemable units	—	192,724	192,724
DUIP	—	13,941	13,941
	—	206,665	206,665
Total	$ 319,698	$ —	$ 319,698

	December 31, 2023			January 1, 2023		
	Previously reported	Adjustments	Restated	Previously reported	Adjustments	Restated
Liabilities						
NON-CURRENT LIABILITIES						
Subsidiary redeemable units	$ 186,318	$ (186,318)	$ —	$ 216,871	$ (216,871)	$ —
DUIP (partially included in "Derivatives and other non-current liabilities")	20,754	(20,754)	—	14,369	(14,369)	—
Derivatives and other non-current liabilities	70,230	5,860	76,090	42,408	3,857	46,265
	277,302	(201,212)	76,090	273,648	(227,383)	46,265
CURRENT LIABILITIES						
Subsidiary redeemable units	—	186,318	186,318	—	216,871	216,871
DUIP	—	14,894	14,894	—	10,512	10,512
	—	201,212	201,212	—	227,383	227,383
Total	$ 277,302	$ —	$ 277,302	$ 273,648	$ —	$ 273,648

There is no impact on the measurement or recognition of any item in our condensed consolidated financial statements, debt covenants based on the terms and definitions of the covenant calculations and debt agreements, liquidity risks, non-GAAP financial measures and ratios, including FFO and NAV per Unit, or supplementary financial measures and ratios, and there is no change to our consolidated statements of comprehensive income, condensed consolidated statements of changes in equity, and condensed consolidated statements of cash flows.

SIGNIFICANT 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 significant accounting judgments, estimates and assumptions in applying accounting policies are described in Note 2 to the condensed consolidated financial statements for the three and nine months ended September 30, 2024, and in our annual consolidated financial statements for the year ended December 31, 2023.

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.sedarplus.com.

Condensed consolidated balance sheets (Restated, Note 2)

(in thousands of Canadian dollars)
(Unaudited)

	Note	September 30, 2024	December 31, 2023 (note 2)	January 1, 2023 (note 2)
Assets				
NON-CURRENT ASSETS				
Investment properties	3, 4	**$ 7,057,150**	$ 6,924,274	$ 6,759,425
Equity accounted investments	5	**832,828**	809,006	313,527
Derivatives and other non-current assets	6	**69,769**	37,577	92,016
		7,959,747	7,770,857	7,164,968
CURRENT ASSETS				
Cash and cash equivalents		**78,703**	49,916	83,802
Amounts receivable		**31,405**	31,694	27,673
Prepaid expenses and other assets		**10,524**	5,873	4,050
		120,632	87,483	115,525
Total assets		**$ 8,080,379**	$ 7,858,340	$ 7,280,493
Liabilities				
NON-CURRENT LIABILITIES				
Non-current debt	7	**$ 2,877,641**	$ 2,537,090	$ 2,137,412
Deferred income tax liabilities, net		**49,439**	43,606	47,869
Derivatives and other non-current liabilities	2, 9	**113,033**	76,090	46,265
		3,040,113	2,656,786	2,231,546
CURRENT LIABILITIES				
Current debt	7	**62,121**	310,277	275,536
Subsidiary redeemable units	2	**192,724**	186,318	216,871
Amounts payable and accrued liabilities		**109,542**	110,260	88,784
Deferred Unit Incentive Plan (“DUIP”)	2	**13,941**	14,894	10,512
Current income tax liabilities		**1,258**	4,908	4,503
		379,586	626,657	596,206
Total liabilities		**3,419,699**	3,283,443	2,827,752
Equity				
Unitholders’ equity		**3,384,612**	3,339,660	3,106,904
Retained earnings		**1,196,210**	1,191,907	1,274,974
Accumulated other comprehensive income	10	**79,858**	43,330	70,863
Total equity		**4,660,680**	4,574,897	4,452,741
Total liabilities and equity		**$ 8,080,379**	$ 7,858,340	$ 7,280,493

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”	***“Jennifer Scoffield”***
Vincenza Sera Trustee	Jennifer Scoffield Trustee

Condensed consolidated statements of comprehensive income

(in thousands of Canadian dollars)
(Unaudited)

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2024**	2023	**2024**	2023
Investment properties revenue	11, 17	**$ 116,820**	$ 109,400	**$ 346,713**	$ 326,683
Investment properties operating expenses	17	**(26,322)**	(24,896)	**(82,700)**	(77,684)
Net rental income		**90,498**	84,504	**264,013**	248,999
Other income					
Share of net income from equity accounted investments	5	**5,037**	10,154	**20,551**	3,500
Interest income and other		**1,426**	222	**4,315**	363
		6,463	10,376	**24,866**	3,863
Other expenses					
General and administrative		**(7,422)**	(8,058)	**(23,878)**	(23,772)
Interest:					
Debt and other financing costs		**(17,937)**	(14,365)	**(52,326)**	(38,859)
Subsidiary redeemable units		**(2,336)**	(2,336)	**(7,008)**	(8,221)
		(27,695)	(24,759)	**(83,212)**	(70,852)
Fair value adjustments and net (loss) income on transactions and other activities					
Fair value adjustments to investment properties	3	**(10,155)**	(33,522)	**(15,689)**	(22,745)
Fair value adjustments to financial instruments	12	**(40,831)**	15,094	**(25,079)**	(40,364)
Net (loss) income on transactions and other activities	13	**(2,550)**	141	**(8,240)**	(2,631)
		(53,536)	(18,287)	**(49,008)**	(65,740)
Income before income taxes		**15,730**	51,834	**156,659**	116,270
Current and deferred income tax expense, net	8	**(1,901)**	(1,340)	**(6,683)**	(3,154)
Net income		**$ 13,829**	$ 50,494	**$ 149,976**	$ 113,116
Other comprehensive income					
Items that will be reclassified subsequently to net income:					
Unrealized gain (loss) on foreign currency translation of foreign operations	10	**$ 58,395**	$ (21,555)	**$ 61,749**	$ (22,871)
Unrealized (loss) gain on hedging instruments	10	**(38,046)**	7,716	**(30,894)**	3,603
Share of other comprehensive (loss) gain from equity accounted investments	10	**(4,126)**	5,879	**5,673**	(394)
		16,223	(7,960)	**36,528**	(19,662)
Comprehensive income		**$ 30,052**	$ 42,534	**$ 186,504**	$ 93,454

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)

		Attributable to unitholders of the Trust				
Nine months ended September 30, 2024	Note	Number of REIT Units	Unitholders' equity	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
Balance at January 1, 2024		**273,243,349**	**$ 3,339,660**	**$ 1,191,907**	**$ 43,330**	**$ 4,574,897**
Net income		**—**	**—**	**149,976**	**—**	**149,976**
Distributions paid and payable	14	**—**	**—**	**(145,673)**	**—**	**(145,673)**
Distribution Reinvestment Plan	14	**3,145,100**	**41,309**	**—**	**—**	**41,309**
REIT Units issued for vested deferred trust units and Unit Purchase Plan		**287,064**	**3,643**	**—**	**—**	**3,643**
Other comprehensive income	10	**—**	**—**	**—**	**36,528**	**36,528**
Balance at September 30, 2024		**276,675,513**	**$ 3,384,612**	**$ 1,196,210**	**$ 79,858**	**$ 4,660,680**

		Attributable to unitholders of the Trust				
Nine months ended September 30, 2023	Note	Number of REIT Units	Unitholders' equity	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
Balance at January 1, 2023		256,604,207	$ 3,106,904	$ 1,274,974	$ 70,863	$ 4,452,741
Net income		—	—	113,116	—	113,116
Distributions paid and payable	14	—	—	(139,200)	—	(139,200)
Exchange of subsidiary redeemable units to REIT Units	15	5,205,283	74,019	—	—	74,019
Public offerings of REIT Units	15	7,510,426	107,147	—	—	107,147
Distribution Reinvestment Plan	14	2,689,104	37,699	—	—	37,699
REIT Units issued for vested deferred trust units and Unit Purchase Plan		113,781	1,687	—	—	1,687
Issue costs and other		—	(2,143)	—	—	(2,143)
Other comprehensive loss	10	—	—	—	(19,662)	(19,662)
Balance at September 30, 2023		272,122,801	$ 3,325,313	$ 1,248,890	$ 51,201	$ 4,625,404

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 September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Generated from (utilized in) operating activities					
Net income		**$ 13,829**	$ 50,494	**$ 149,976**	$ 113,116
Non-cash items:					
Share of net (income) loss from equity accounted investments	5	**(5,037)**	(10,154)	**(20,551)**	(3,500)
Fair value adjustments to investment properties	3	**10,155**	33,522	**15,689**	22,745
Fair value adjustments to financial instruments	12	**40,831**	(15,094)	**25,079**	40,364
Depreciation and amortization		**912**	1,106	**2,547**	2,545
Other adjustments	16	**1,793**	1,350	**11,533**	7,004
Change in non-cash working capital	16	**5,995**	(1,050)	**(10,764)**	(6,998)
Investment in lease incentives and initial direct leasing costs		**(2,138)**	(2,451)	**(9,201)**	(6,915)
Interest expense on debt and other financing costs		**17,937**	14,365	**52,326**	38,859
		84,277	72,088	**216,634**	207,220
Generated from investing activities					
Investment in building improvements and other development and pre-development costs		**(41,180)**	(55,868)	**(108,721)**	(115,134)
Acquisitions, deposits and transaction costs of investment properties (net of cash acquired)		**(448)**	(2,942)	**(996)**	(5,249)
Dispositions of investment properties (net of assumed mortgages and transaction costs)		**3,949**	—	**21,238**	3,781
Distributions from equity accounted investments	5	**6,000**	3,000	**14,000**	3,000
Contributions to equity accounted investments	5	**(3,583)**	(8,858)	**(18,875)**	(499,520)
		(35,262)	(64,668)	**(93,354)**	(613,122)
Generated (utilized in) from financing activities					
Borrowings	7	**—**	263,082	**427,220**	1,116,697
Lump sum repayments	7	**(20,350)**	(297,228)	**(358,892)**	(675,355)
Principal repayments	7	**(765)**	(1,261)	**(2,530)**	(5,142)
Financing costs additions		**(1,522)**	(4,809)	**(3,609)**	(6,636)
Interest and other financing costs paid on debt		**(19,754)**	(12,644)	**(49,487)**	(36,920)
Interest paid on subsidiary redeemable units		**(2,336)**	(2,335)	**(7,008)**	(8,524)
Distributions paid on REIT Units	14	**(35,470)**	(33,042)	**(104,164)**	(100,596)
Cash proceeds on issuance of REIT Units		**—**	107,157	**—**	107,172
Issue costs paid on REIT Units		**—**	(2,143)	**—**	(2,143)
Other adjustments to financing activities		**(79)**	(66)	**(202)**	(173)
		(80,276)	16,711	**(98,672)**	388,380
(Decrease) increase in cash and cash equivalents		**(31,261)**	24,131	**24,608**	(17,522)
Foreign exchange gain (loss) on cash held in foreign currency		**6,606**	(2,674)	**4,179**	(1,332)
Cash and cash equivalents, beginning of period		**103,358**	43,491	**49,916**	83,802
Cash and cash equivalents, end of period		**$ 78,703**	$ 64,948	**$ 78,703**	$ 64,948

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 U.S.

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 nine months ended September 30, 2024 were authorized for issuance by the Board of Trustees on November 5, 2024, 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 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of presentation and statement of compliance

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" ("IAS 34"), 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") 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, 2023, which have been prepared in accordance with IFRS Accounting Standards.

Accounting policies

The condensed consolidated financial statements have been prepared using the same material accounting policies and methods as those used in the Trust's annual consolidated financial statements for the year ended December 31, 2023, except as noted below for Amendments to IAS 1, "Presentation of Financial Statements".

Significant 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 significant accounting judgments, estimates and assumptions as disclosed in the Trust's annual consolidated financial statements for the year ended December 31, 2023.

Amendments to IAS 1, "Presentation of Financial Statements"

Effective January 1, 2024, the Trust has adopted amendments to IAS 1, "Presentation of Financial Statements" ("IAS 1"), relating to the classification of liabilities as current or non-current liabilities. The Trust may be required to settle liabilities relating to subsidiary redeemable units classified as liabilities and fully vested DUIP units on demand by the holders and does not have the right to defer settlement of such liabilities for a period of more than twelve months from the reporting date. As a result, the Trust has classified these liabilities where there is no right to defer settlement as current liabilities. The amendments have been applied retrospectively for all periods presented in accordance with the transitional provisions of IAS 1.

As a result of these amendments, the following reclassifications have been made to the presentation of the current and comparative condensed consolidated balance sheets:

			September 30, 2024
	Pre-amendments to IAS 1	**Adjustments**	**Post-amendments to IAS 1**
Liabilities			
NON-CURRENT LIABILITIES			
Subsidiary redeemable units	**$ 192,724**	**$ (192,724)**	**$ —**
DUIP (note 9)	**19,713**	**(19,713)**	**—**
Derivatives and other non-current liabilities (note 9)	**107,261**	**5,772**	**113,033**
	319,698	**(206,665)**	**113,033**
CURRENT LIABILITIES			
Subsidiary redeemable units	**—**	**192,724**	**192,724**
DUIP	**—**	**13,941**	**13,941**
	—	**206,665**	**206,665**
Total	**$ 319,698**	**$ —**	**$ 319,698**

			December 31, 2023			January 1, 2023
	Previously reported	Adjustments	Restated	Previously reported	Adjustments	Restated
Liabilities						
NON-CURRENT LIABILITIES						
Subsidiary redeemable units	$ 186,318	$ (186,318)	$ —	$ 216,871	$ (216,871)	$ —
DUIP (note 9)	20,754	(20,754)	—	14,369	(14,369)	—
Derivatives and other non-current liabilities (note 9)	70,230	5,860	76,090	42,408	3,857	46,265
	277,302	(201,212)	76,090	273,648	(227,383)	46,265
CURRENT LIABILITIES						
Subsidiary redeemable units	—	186,318	186,318	—	216,871	216,871
DUIP	—	14,894	14,894	—	10,512	10,512
	—	201,212	201,212	—	227,383	227,383
Total	$ 277,302	$ —	$ 277,302	$ 273,648	$ —	$ 273,648

There is no impact on the measurement or recognition of any item in the Trust's condensed consolidated financial statements, debt covenants based on the terms and definitions of the covenant calculations and debt agreements, or liquidity risks, and there is no change to the consolidated statements of comprehensive income, condensed consolidated statements of changes in equity, and condensed consolidated statements of cash flows.

Note 3

INVESTMENT PROPERTIES

	Note	Nine months ended September 30, 2024			Year ended December 31, 2023		
		Income-producing properties	**Properties held for development**	**Investment properties**	Income-producing properties	Properties held for development	Investment properties
Balance at beginning of period		**$ 6,692,163**	**$ 232,111**	**$ 6,924,274**	$ 6,652,838	$ 106,587	$ 6,759,425
Additions (deductions):							
Acquisitions of investment properties and land	4	**—**	**—**	**—**	5,661	—	5,661
Building improvements		**23,792**	**—**	**23,792**	43,743	—	43,743
Lease incentives and initial direct leasing costs		**12,593**	**—**	**12,593**	10,418	—	10,418
Development costs, pre-development costs and capitalized interest		**3,410**	**80,078**	**83,488**	15,423	131,454	146,877
Income-producing properties transferred to/from properties held for development[1]		**39,205**	**(39,205)**	**—**	12,314	(12,314)	—
Investment properties disposed	4	**(50,367)**	**—**	**(50,367)**	(6,921)	—	(6,921)
Fair value adjustments to investment properties		**(19,737)**	**4,048**	**(15,689)**	(73,073)	6,384	(66,689)
Change in straight-line rent		**6,914**	**—**	**6,914**	5,624	—	5,624
Amortization and write-off of lease incentives		**(2,540)**	**—**	**(2,540)**	(3,240)	—	(3,240)
Foreign currency translation adjustments		**74,685**	**—**	**74,685**	29,376	—	29,376
Balance at end of period		**$ 6,780,118**	**$ 277,032**	**$ 7,057,150**	$ 6,692,163	$ 232,111	$ 6,924,274
Change in unrealized income included in net income							
Change in fair value of investment properties[2]		**$ (25,139)**	**$ 4,048**	**$ (21,091)**	$ (73,609)	$ 6,384	$ (67,225)

(1) For the nine months ended September 30, 2024, one income-producing property was transferred to property held for development due to redevelopment activities and one property was transferred from property held for development to income-producing property. For the year ended December 31, 2023, one income-producing property was transferred to property held for development due to redevelopment activities, and one property was transferred from property held for development to income-producing property.

(2) Excludes the fair value adjustments to investment properties recognized on disposed investment properties during the respective periods.

Investment properties include $30,501 (December 31, 2023 – $23,706) related to straight-line rent receivables.

Valuations of externally appraised investment properties

For the nine months ended September 30, 2024, 64 investment properties were valued by qualified external valuation professionals representing 20.3% of total investment property values, excluding acquired properties (for the year ended December 31, 2023 – 74 investment properties were externally appraised, representing 20.9% 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 September 30, 2024 and December 31, 2023 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 September 30, 2024 and December 31, 2023, the Trust's investment properties were valued using the capitalization rate ("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 September 30, 2024 and December 31, 2023, development land included in the properties held for development were valued at the acquisition price plus capitalized interest, and planning and pre-development costs incurred to date, and revalued using a comparable sales approach or income approach. Income-producing properties transferred to properties held for development were initially valued at carrying value, which approximated fair value. The significant and unobservable Level 3 valuation metrics used in the methods as at September 30, 2024 and December 31, 2023 are set out in the table below:

	September 30, 2024[1]		December 31, 2023[1]	
	Range (%)	**Weighted average (%)**[2]	Range (%)	Weighted average (%)[2]
Cap rate method				
Stabilized cap rate	**4.70–9.00**	**6.09**	4.50–8.75	6.06
Discounted cash flow method				
Discount rate	**5.70–10.40**	**7.29**	5.25–10.00	7.14
Terminal cap rate	**4.95–9.25**	**6.40**	4.50–9.00	6.27

(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 cap rates by a respective 25 basis points ("bps") as at September 30, 2024:

	Impact to change in weighted average stabilized cap rates	
Cap rate method	+25 bps	–25 bps
(Decrease) increase in fair value	$ (265,350)	$ 288,051

	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
(Decrease) increase in fair value	$ (129,577)	$ 132,690	$ (158,636)	$ 171,829

Note 4

INVESTMENT PROPERTY ACQUISITIONS AND DISPOSITIONS

Acquisitions

There were no acquisitions during the nine months ended September 30, 2024. For the year ended December 31, 2023, the Trust acquired investment properties for gross proceeds net of adjustments and before transaction costs totalling $4,997.

Detailed below are the considerations paid for the acquired investment properties for the year ended December 31, 2023:

		Year ended December 31, 2023
Cash paid (net of cash acquired)	$	4,992
Deposits paid in prior period and released to seller on closing		5
Assumed non-cash working capital and capital expenditure obligations		—
Transaction costs and land transfer taxes		664
Total cost of acquisitions	$	5,661

On February 17, 2023, pursuant to the Arrangement (see Note 5), the Trust acquired Dream Summit Industrial Management Corp. ("DSIM", formerly Summit Industrial Income Management Corp.) for nominal consideration, and has consolidated the financial results of DSIM for the nine months ended September 30, 2024 and year ended December 31, 2023. DSIM assists a subsidiary of the Trust in providing property management and leasing services to the Dream Summit JV (see Note 5).

Dispositions

The following dispositions were completed during the nine months ended September 30, 2024.

		Fair value of investment properties(1)	Date disposed
Innsbruckweg 40–140, Rotterdam, Netherlands(2)	$	4,833	June 18, 2024
Regina properties (various)(3)		41,585	June 24, 2024
Klompenmakerstraat 3–5, Ridderkerk, Netherlands(2)		3,949	July 15, 2024
Total	$	50,367	

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

(2) Dispositions in Europe were settled in euros and translated into Canadian dollars as at the respective transaction date.

(3) This disposition comprised six investment properties that were owned in Regina, Saskatchewan.

As partial consideration for the sale of the six Regina properties, the Trust entered into a vendor take-back secured loan ("VTB loan") with the purchaser for a principal amount of $29,129, with the remainder of the sale proceeds settled in cash. The VTB loan matures in 25 months following the closing date and bears a fixed rate of interest at 6.5% per annum.

Subsequent to the quarter, on October 30, 2024, the Trust completed a disposition of an investment property in Montréal, Québec for $20,300.

For the year ended December 31, 2023, the Trust disposed of investment properties located in the Netherlands totalling $6,921.

Note 5

EQUITY ACCOUNTED INVESTMENTS

On February 17, 2023, Dream Summit Industrial LP, a limited partnership owned by a joint venture ("Dream Summit JV") between GIC and the Trust, in which the Trust has a 10% interest, completed the previously announced statutory arrangement (the "Arrangement") involving Summit Industrial Income REIT ("Summit REIT") and Summit Industrial Income Management Corp. Pursuant to the Arrangement, Dream Summit Industrial LP acquired all of the assets and assumed all of the liabilities of Summit REIT, including the assumption of certain debt. The Trust contributed equity of $473.2 million to the Dream Summit JV, which was funded with proceeds from a new $200 million unsecured term loan, the unsecured revolving credit facility and available cash on hand. A subsidiary of Dream Asset Management Inc. ("DAM") is the asset manager of the Dream Summit JV, and the Trust will pay fees on its interest in the Dream Summit JV under the North America Asset Management Agreement.

As at September 30, 2024, the Trust holds an equity accounted investment in the Dream Summit JV, a private U.S. industrial fund (the "U.S. Fund"), and a GTA development joint venture (the "Development JV"); the equity accounted investments are related parties of the Trust (see Note 18).

During the three and nine months ended September 30, 2024, the Trust earned fees totalling $4,860 and $14,294, respectively (three and nine months ended September 30, 2023 – $4,366 and $11,589, respectively) for providing property management and accounting, construction management, and leasing services to the Dream Summit JV, U.S. Fund and Development JV (see Note 11).

Equity accounted investments continuity

						Nine months ended September 30, 2024		Year ended December 31, 2023
		Dream Summit JV		Development JV		U.S. Fund		**Total**		Total
Balance at beginning of period	$	483,247	$	46,975	$	278,784	**$**	**809,006**	$	313,527
Capital contributions		8,396		1,065		8,477		**17,938**		514,754
Capitalized transaction costs		245		1,061		—		**1,306**		7,857
Distributions earned[1]		(14,000)		—		(7,646)		**(21,646)**		(25,519)
Share of net income (loss)		8,606		(71)		12,016		**20,551**		4,941
Foreign currency translation adjustments		—		—		5,673		**5,673**		(6,554)
Balance at end of period	$	486,494	$	49,030	$	297,304	**$**	**832,828**	$	809,006
Percentage of ownership, end of period		10.0%		25.0%		26.8%				

(1) U.S. Fund distributions earned by the Trust are reinvested as capital contributions into the U.S. Fund.

Note 6
DERIVATIVES AND OTHER NON-CURRENT ASSETS

	Note		**September 30, 2024**		December 31, 2023
Restricted cash and other assets		**$**	**2,892**	$	2,682
Fair value of interest rate swaps ("IRS")	20		**2,126**		5,665
Fair value of cross-currency interest rate swaps ("CCIRS")	20		**35,622**		29,230
VTB loan receivable	4		**29,129**		—
Total		**$**	**69,769**	$	37,577

Note 7
DEBT

		September 30, 2024		December 31, 2023
Mortgages[1]	**$**	**483,986**	$	582,399
Unsecured revolving credit facility[1][2]		**(1,933)**		48,695
Unsecured term loans[1][3]		**761,725**		521,138
Unsecured debentures[1]		**1,695,984**		1,695,135
Total debt		**2,939,762**		2,847,367
Less: Current portion		**(62,121)**		(310,277)
Non-current debt	**$**	**2,877,641**	$	2,537,090

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

(2) Balance as at September 30, 2024 represents unamortized deferred financing costs.

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

Of the total debt outstanding as at September 30, 2024, $2,818,357 of debt is subject to financial covenants according to the applicable debt agreement, of which $2,747,014 is included in non-current debt. The Trust actively monitors all debt covenants on an ongoing basis to ensure compliance. As at September 30, 2024, the Trust is in compliance with these debt covenants.

Continuity of total debt

The following tables provide a continuity of total debt for the nine months ended September 30, 2024 and year ended December 31, 2023:

					September 30, 2024
	Mortgages[1]	Unsecured revolving credit facility[1][2]	Unsecured term loans[1]	Unsecured debentures	Total
Total debt as at January 1, 2024	**$ 582,399**	**$ 48,695**	**$ 521,138**	**$ 1,695,135**	**$ 2,847,367**
Cash items:					
Borrowings	—	—	**226,318**	**200,902**	**427,220**
Lump sum repayments	**(108,892)**	**(50,000)**	—	**(200,000)**	**(358,892)**
Principal repayments	**(2,530)**	—	—	—	**(2,530)**
Financing cost additions	—	**(1,033)**	**(1,207)**	**(1,592)**	**(3,832)**
Non-cash items:					
Foreign currency translation adjustments	**12,539**	—	**15,116**	—	**27,655**
Other adjustments[3]	**470**	**405**	**360**	**1,539**	**2,774**
Total debt as at September 30, 2024	**$ 483,986**	**$ (1,933)**	**$ 761,725**	**$ 1,695,984**	**$ 2,939,762**

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

(2) Balance as at September 30, 2024 represents unamortized deferred financing costs.

(3) Includes amortization of financing costs of $3,159, amortization of fair value adjustments on assumed debt, reopening Series A Debentures and Series F Debentures of $(385).

					December 31, 2023
	Mortgages[1]	Unsecured revolving credit facility[1]	Unsecured term loan[1]	Unsecured debentures	Total
Total debt as at January 1, 2023	$ 529,600	$ 50,742	$ 338,057	$ 1,494,549	$ 2,412,948
Cash items:					
Borrowings	231,082	560,583	200,000	200,000	1,191,665
Lump sum repayments	(171,536)	(559,625)	—	—	(731,161)
Principal repayments	(6,418)	—	—	—	(6,418)
Financing cost additions	(4,402)	(753)	(500)	(1,492)	(7,147)
Non-cash items:					
Foreign currency translation adjustments	5,468	(2,759)	(16,740)	—	(14,031)
Other adjustments[2]	(1,395)	507	321	2,078	1,511
Total debt as at December 31, 2023	$ 582,399	$ 48,695	$ 521,138	$ 1,695,135	$ 2,847,367

(1) The unsecured term loan denominated in U.S. dollars, the unsecured revolving credit facility 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 and write-off of financing costs of $3,217, amortization of fair value adjustments on assumed debt and cost of reopening Series A Debentures of $(1,706).

Mortgages

During the nine months ended September 30, 2024, the Trust repaid one mortgage in Canada and five mortgages in Europe at maturity totalling $108,892 with a weighted average face interest rate of 1.81% per annum.

During the year ended December 31, 2023, the Trust discharged one mortgage and repaid an additional eight mortgages in Europe totalling $164,307 with a face interest rate of 1.26% per annum. Additionally, the Trust closed on $231,082 of new mortgages and refinanced $99,015 of mortgages in Europe with weighted average face and effective interest rates of 4.93% and 5.20% per annum, respectively.

€153 million Unsecured Term Loan

On June 13, 2024, the Trust closed on an unsecured term loan (the "€153M Unsecured Term Loan") maturing on June 13, 2027 with two one-year extension options to be exercised at the Trust's discretion, subject to certain conditions. The €153M Unsecured Term Loan bears interest at the Euro Interbank Offered Rate ("EURIBOR") plus spread. On the same day, the Trust entered into an interest rate swap agreement, maturing on June 13, 2029, to fix the floating interest rate to 4.014%. The proceeds were used to repay the Euro leg of the Series B Debentures' CCIRS that matured on June 17, 2024 and to fund European mortgage repayments.

$200 million Unsecured Term Loan

On February 14, 2023, the Trust closed on an unsecured term loan (the "$200M Unsecured Term Loan") with an equivalent principal amount of $200 million maturing on February 14, 2026 with a one-year extension option. The $200M Unsecured Term Loan bears interest at the Canadian Overnight Repo Rate Average ("CORRA") plus spread or Canadian prime rate plus spread on Canadian dollar draws, or the Federal Reserve Bank of New York ("SOFR") plus spread or base rate plus spread on U.S. dollar draws.

The Trust drew down a principal amount of US$145 million (equivalent to $200 million) and entered into a CCIRS arrangement, maturing on March 15, 2028, to swap the U.S. dollar proceeds to Canadian dollars and to fix the floating interest rate to 4.848%. On July 26, 2024, the Trust extended the maturity of its $200M Unsecured Term Loan to March 15, 2028, which is co-terminus with the related CCIRS.

Unsecured revolving credit facility

In August 2024, the Trust upsized its $500 million unsecured revolving credit facility to $750 million, and extended the maturity date from August 9, 2028 to August 13, 2029, while maintaining the $250 million accordion option. The unsecured revolving credit facility bears interest at the CORRA rates plus spread or Canadian prime rate plus spread on Canadian dollar draws, the SOFR plus spread or the U.S. prime rate plus spread on U.S. dollar draws, or the Euro Interbank Offered Rate ("EURIBOR") plus spread on euro draws.

Replacement of CDOR with CORRA

The administrator of the Canadian Dollar Offered Rate ("CDOR") ceased publication of CDOR on June 28, 2024, and the Canadian financial benchmark was replaced by the CORRA. The fallback provisions of the unsecured revolving credit facility, the $200 million Unsecured Term Loan and the US$250 million unsecured term loan have been appropriately updated to transition from CDOR to CORRA for Canadian drawdowns, effective June 28, 2024. The change had no economic impact on any debt and related derivatives pertaining to the Trust.

The amounts available and drawn under the unsecured revolving credit facility as at September 30, 2024 are as follows:

	September 30, 2024				
	Maturity date	Borrowing capacity	Letters of credit amount	Principal outstanding	Amounts available to be drawn
Unsecured revolving credit facility[1]	August 13, 2029	$ 750,000	$ 8,227	$ —	$ 741,773

(1) The unsecured revolving credit facility has the ability to be drawn in Canadian dollars, U.S. dollars and euros. As at September 30, 2024, there was no principal amount outstanding.

As at December 31, 2023, $50,000 was drawn on the unsecured revolving credit facility, which was fully repaid during Q1 2024, in addition to letters of credit outstanding totalling $8,048.

Debentures

As at September 30, 2024, the Trust has the following outstanding debentures, all rated BBB (mid) with Stable trends by DBRS Morningstar ("DBRS"): the $450 million 1.662% Series A Debentures due 2025, the $400 million 2.057% Series C Debentures due 2027 (Series C Green Bonds), the $250 million 2.539% Series D Debentures due 2026 (Series D Green Bonds), the $200 million 3.968% Series E Debentures due 2026 (Series E Green Bonds), and the $400 million 5.383% Series F Debentures due 2028 (collectively, the "Debentures"; and the Series C Green Bonds, the Series D Green Bonds and the Series E Green Bonds, collectively, the "Green Bonds").

$400 million Series F Debentures

On March 22, 2023, the Trust completed a private placement offering of $200 million aggregate principal amount of Series F 5.383% Senior Unsecured Debentures at an issuance price of $1,000 per $1,000 principal amount, and maturing on March 22, 2028 (the "Series F Debentures"). On January 4, 2024, the Series F Debentures were reopened and the Trust issued an additional $200 million at an issuance price of $1,004.51 per $1,000 principal amount (plus accrued interest from September 22, 2023) (collectively, the "$400 million Series F Debentures"). The Series F Debentures reopening has the same terms and conditions, and constitutes part of the same series, as the original $200 million aggregate principal amount of the Series F Debentures issued by the Trust on March 22, 2023. Interest is payable on the $400 million Series F Debentures on March 22 and September 22 of each year. The $400 million Series F 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. Financing costs related to the $400 million Series F Debentures offering totalled $2,737.

$200 million Series B Debentures

On June 14, 2024, the Trust unwound the CCIRS relating to the Series B Debentures that was maturing on June 17, 2024. The euro leg notional of €136 million was repaid using proceeds from the €153M Unsecured Term Loan and the Trust received the Canadian dollar leg notional of $200 million. On June 17, 2024, the Trust used the $200 million proceeds from the CCIRS to repay the Series B Debentures at maturity.

Debt weighted average effective interest rates and maturity profile

As at September 30, 2024, the weighted average effective interest rate on total debt was 2.60% (December 31, 2023 – 2.48%). The weighted average effective interest rate includes the impact of fair value adjustments on assumed debt, deferred financing costs and the impact of CCIRS.

The scheduled principal and interest repayments and debt maturities are as follows as at September 30, 2024:

	Debt balance due at maturity	Scheduled principal repayments on debt maturing in future periods	Amount	Contractual interest payments	Total debt service requirements
Remainder of 2024	$ —	$ 773	$ 773	$ 16,226	$ 16,999
2025	847,817	2,700	850,517	75,674	926,191
2026	450,000	2,798	452,798	68,647	521,445
2027	400,000	2,900	402,900	63,777	466,677
2028	954,777	3,005	957,782	39,691	997,473
2029–2030	284,732	1,750	286,482	7,457	293,939
Total	$ 2,937,326	$ 13,926	$ 2,951,252	$ 271,472	$ 3,222,724
Unamortized financing costs			(12,199)		
Unamortized fair value adjustments			709		
Total debt			**$ 2,939,762**		

Note 8

INCOME TAXES

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Current income tax expense	**$ (662)**	$ (925)	**$ (1,887)**	$ (2,284)
Deferred income tax expense, net	**(1,239)**	(415)	**(4,796)**	(870)
Deferred and current income tax expense, net	**$ (1,901)**	$ (1,340)	**$ (6,683)**	$ (3,154)

Note 9

DERIVATIVES AND OTHER NON-CURRENT LIABILITIES

	Note	September 30, 2024	December 31, 2023
Tenant security deposits		$ 32,045	$ 30,524
Fair value of CCIRS	20	51,097	23,367
Fair value of IRS	20	12,222	4,601
Ground leases		11,897	11,738
DUIP	2	5,772	5,860
Total		**$ 113,033**	$ 76,090

Note 10

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Nine months ended September 30,					
	2024			2023		
	Opening balance January 1	**Net change during the period**	**Closing balance September 30**	Opening balance January 1	Net change during the period	Closing balance September 30
Unrealized gain (loss) on foreign currency translation of foreign operations	$ 2,470	$ 61,749	$ 64,219	$ (19,367)	$ (22,871)	$ (42,238)
Unrealized gain (loss) on hedge of net investment	17,048	(63,928)	(46,880)	29,930	25,724	55,654
Unrealized gain (loss) on cash flow hedge	—	—	—	(435)	435	—
Unrealized gain (loss) on interest portion of hedging derivatives	10,008	33,034	43,042	40,377	(22,556)	17,821
Share of other comprehensive income (loss) from equity accounted investments	13,804	5,673	19,477	20,358	(394)	19,964
Accumulated other comprehensive income (loss)	**$ 43,330**	**$ 36,528**	**$ 79,858**	$ 70,863	$ (19,662)	$ 51,201

Note 11

INVESTMENT PROPERTIES REVENUE

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Rental income	**$ 97,320**	$ 88,893	**$ 284,981**	$ 263,430
Recoveries revenue	**14,640**	16,141	**47,438**	51,664
Property management and other income	**4,860**	4,366	**14,294**	11,589
Total	**$ 116,820**	$ 109,400	**$ 346,713**	$ 326,683

Note 12
FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Remeasurement of carrying value of subsidiary redeemable units	**$ (23,623)**	$ 16,950	**$ (6,406)**	$ (28,518)
Remeasurement of carrying value of deferred trust units	**(2,624)**	1,475	**(950)**	(2,094)
Remeasurement of IRS	**(12,481)**	(1,228)	**(11,414)**	(3,443)
Amortization of fair value adjustments to CCIRS	**(2,103)**	(2,103)	**(6,309)**	(6,309)
Total	**$ (40,831)**	$ 15,094	**$ (25,079)**	$ (40,364)

Note 13
NET LOSS ON TRANSACTIONS AND OTHER ACTIVITIES

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Internal leasing costs	**$ (1,667)**	$ (1,127)	**$ (4,363)**	$ (3,224)
Foreign exchange (loss) gain	**(18)**	1,341	**(1,921)**	1,389
Transaction costs on acquisitions and dispositions	**(771)**	(76)	**(1,397)**	(818)
Other	**(94)**	3	**(559)**	22
Total	**$ (2,550)**	$ 141	**$ (8,240)**	$ (2,631)

Note 14
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 and $0.525 for the three and nine months ended September 30, 2024 and September 30, 2023, respectively.

The following table summarizes distributions paid and payable for the nine months ended September 30, 2024 and September 30, 2023:

	Nine months ended September 30,	
	2024	2023
Paid in cash	**$ (104,164)**	$ (100,596)
Paid by way of reinvestment in REIT Units(1)	**(41,309)**	(37,699)
Less: Payable at December 31, 2023/December 31, 2022	**15,938**	14,968
Add: Payable at September 30, 2024/September 30, 2023	**(16,138)**	(15,873)
Total distributions paid and payable	**$ (145,673)**	$ (139,200)

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

The following table summarizes our monthly distributions paid and payable subsequent to September 30, 2024:

Date distribution announced	Record date	Date distribution was paid or is payable	Distribution per REIT A Unit	Total cash distributions paid	Total DRIP distributions
September 19, 2024	September 30, 2024	October 15, 2024	$ 0.05833	$ 11,986	$ 4,152(1)

(1) Distributions of $4,152 along with $125 in bonus distributions were reinvested in an additional 315,413 REIT Units (including 3% bonus distribution on Units reinvested pursuant to the DRIP).

On October 22, 2024, the Trust announced its October 2024 monthly distributions in the amount of $0.05833 per REIT Unit. The October 2024 distributions will be payable on November 15, 2024 to unitholders on record as of October 31, 2024.

Note 15

EQUITY

Secondary offering of REIT Units and exchange of subsidiary redeemable units

On May 8, 2023, the Trust filed a prospectus supplement to its final base shelf prospectus dated November 26, 2021 to qualify the distribution of REIT Units by Dream Office REIT ("the Selling Unitholder"), and on May 16, 2023, the Trust closed on a secondary bought deal offering, along with the Selling Unitholder, 12,500,000 REIT Units at a price of $14.20 per Unit, for gross total proceeds of $177,500 (the "Offering"). All proceeds were paid to the Selling Unitholder. The Trust did not receive any proceeds of the Offering.

In connection with the Offering, the Selling Unitholder exercised its option to exchange 5,205,283 subsidiary redeemable units of Dream Industrial LP, a subsidiary of the Trust, for REIT Units on a one-for-one basis, and a corresponding number of Special Trust Units were automatically redeemed for a nominal amount and cancelled on exchange of such subsidiary redeemable units. The exchange of the subsidiary redeemable units to REIT Units was recorded based on the May 5, 2023 closing price of the Units on the TSX of $14.22 for a total of $74,019. As at September 30, 2024, 13,346,572 subsidiary redeemable units and Special Trust Units were issued and outstanding.

Short form base shelf prospectus

On September 6, 2023, the Trust filed and obtained a receipt for a final short form base shelf prospectus dated September 5, 2023 that is valid for a 25-month period, during which time the Trust may offer and issue, from time to time, REIT Units, Subscription Receipts and debt securities, or any combination thereof. No REIT Units have been issued under the short form base shelf prospectus dated September 5, 2023.

As at September 30, 2023, $635,010 of REIT Units have been issued under the short form base shelf prospectus dated November 26, 2021, which has expired and been replaced with the short form base shelf prospectus dated September 5, 2023.

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

On September 6, 2023, the Trust filed a prospectus supplement (the "ATM Program") to the final short form base shelf prospectus dated September 5, 2023, 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 marketplaces to the extent permitted.

During the nine months ended September 30, 2024, there were no issuances under the Trust's ATM Program.

During the year ended December 31, 2023, the Trust issued 7,510,426 REIT Units under the ATM Program dated November 30, 2021 at a weighted average price of $14.27 per REIT Unit for gross proceeds of $107,147. Total costs related to the issuance of these REIT Units amounted to $2,143 and were charged directly to unitholders' equity. Accordingly, the net proceeds relating to the issuance of these REIT Units amounted to $105,004.

Note 16

SUPPLEMENTARY CASH FLOW INFORMATION

The components of other adjustments under operating activities include:

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2024**	2023	**2024**	2023
Change in straight-line rent	3	**$ (3,528)**	$ (1,068)	**$ (6,914)**	$ (4,611)
Deferred unit compensation expense, net		**957**	932	**3,325**	3,095
Deferred income tax expense (recovery), net	8	**1,239**	415	**4,796**	870
Interest on subsidiary redeemable units		**2,336**	2,336	**7,008**	8,221
Foreign exchange loss (gain)	13	**18**	(1,341)	**1,921**	(1,389)
Transaction costs on acquisitions and dispositions	13	**771**	76	**1,397**	818
Total other adjustments		**$ 1,793**	$ 1,350	**$ 11,533**	$ 7,004

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Decrease (increase) in amounts receivable	**$ 2,906**	$ 539	**$ 873**	$ (5,560)
Decrease (increase) in prepaid expenses and other assets	**2,492**	173	**(8,439)**	(8,265)
(Increase) decrease in derivatives and other non-current assets	**(48)**	(353)	**(11)**	272
Increase (decrease) in amounts payable and accrued liabilities	**1,127**	(4,096)	**(377)**	3,909
(Decrease) increase in derivatives and other non-current liabilities	**(138)**	2,205	**840**	2,384
(Decrease) increase in current income tax liabilities	**(344)**	482	**(3,650)**	262
Change in non-cash working capital	**$ 5,995**	$ (1,050)	**$ (10,764)**	$ (6,998)

Note 17

SEGMENTED INFORMATION

A reportable operating segment is a distinguishable component of the Trust that is engaged either in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographic segment), which is subject to risks and rewards that are different from those of other reportable segments. The Trust's primary format for segment reporting is based on geographic segments. The operating segments derive their revenue primarily from rental income from leases. All of the Trust's business activities and operating segments are reported within the geographic segments.

For the three and nine months ended September 30, 2024 and September 30, 2023, the Trust's reportable operating segments of its investment properties and results of operations were segmented into the following components: Ontario, Québec, Western Canada, Europe, the U.S. and Dream Summit JV.

The chief operating decision-maker, determined to be the President and Chief Executive Officer ("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 development sold to the Development JV when assessing the operating performance of the U.S. and Ontario segments, respectively.

The Trust's segmented income included the Trust's share of net rental income from the U.S. Fund while fair value adjustments to 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 February 17, 2023, the Trust's segmented income included the Trust's share of net rental income from the Dream Summit JV while fair value adjustments to investment properties and internal leasing costs included in net loss on transactions and other activities excluded the equity accounted investment in the Dream Summit JV 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 loss on transactions and other activities (excluding internal leasing costs), and income taxes were not allocated to the segments.

Three months ended September 30, 2024	Ontario	Québec	Western Canada	Europe	U.S.(1)	Dream Summit JV(1)	Segment total	Other(2)	Total
Investment properties revenue	**$ 34,417**	**$ 20,757**	**$ 16,878**	**$ 39,902**	**$ 6,197**	**$ 7,880**	**$ 126,031**	**$ (9,211)**	**$ 116,820**
Investment properties operating expenses	**(6,432)**	**(5,430)**	**(5,811)**	**(6,430)**	**(1,548)**	**(2,196)**	**(27,847)**	**1,525**	**(26,322)**
Net rental income (segmented income)	**$ 27,985**	**$ 15,327**	**$ 11,067**	**$ 33,472**	**$ 4,649**	**$ 5,684**	**$ 98,184**	**$ (7,686)**	**$ 90,498**
Fair value adjustments to investment properties(3)	**$ 39**	**$ (3,440)**	**$ 3,172**	**$ (9,926)**	**$ —**	**$ —**	**$ (10,155)**	**$ —**	**$ (10,155)**
Net loss on transactions and other activities(4)	**(596)**	**(259)**	**(459)**	**(353)**	**—**	**—**	**(1,667)**	**(883)**	**(2,550)**

(1) U.S. and Dream Summit JV includes the Trust's share of net rental income from the equity accounted investments while fair value adjustments to investment properties and net loss on transactions and other activities exclude the equity accounted investments in the U.S. and Dream Summit JV segments.

(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 loss on transactions and other activities that were not segmented.

(3) Includes fair value adjustments in Western Canada related to Properties Under Development.

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

Three months ended September 30, 2023	Ontario	Québec	Western Canada	Europe	U.S.(1)	Dream Summit JV(1)	Segment total	Other(2)	Total
Investment properties revenue	$ 30,689	$ 17,841	$ 17,827	$ 38,678	$ 5,632	$ 7,186	$ 117,853	$ (8,453)	$ 109,400
Investment properties operating expenses	(6,478)	(4,408)	(6,302)	(6,041)	(1,455)	(2,058)	(26,742)	1,846	(24,896)
Net rental income (segmented income)	$ 24,211	$ 13,433	$ 11,525	$ 32,637	$ 4,177	$ 5,128	$ 91,111	$ (6,607)	$ 84,504
Fair value adjustments to investment properties	$ 1,491	$ 11,845	$ (2,021)	$ (44,837)	$ —	$ —	$ (33,522)	$ —	$ (33,522)
Net (loss) gain on transactions and other activities(3)	(346)	(191)	(457)	(112)	—	—	(1,106)	1,247	141

(1) U.S. and Dream Summit JV segments include the Trust's share of net rental income from the equity accounted investments while fair value adjustments on investment properties and net loss on transactions and other activities exclude the equity accounted investments in the U.S. and Dream Summit JV segments.

(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 loss on transactions and other activities that were not segmented.

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

Nine months ended September 30, 2024	Ontario	Québec	Western Canada	Europe	U.S.[(1)]	Dream Summit JV[(1)]	Segment total	Other[(2)]	Total
Investment properties revenue	**$ 98,480**	**$ 59,704**	**$ 52,247**	**$ 119,304**	**$ 18,450**	**$ 22,629**	**$ 370,814**	**$ (24,101)**	**$ 346,713**
Investment properties operating expenses	**(19,714)**	**(16,694)**	**(19,005)**	**(19,939)**	**(4,707)**	**(5,701)**	**(85,760)**	**3,060**	**(82,700)**
Net rental income (segmented income)	**$ 78,766**	**$ 43,010**	**$ 33,242**	**$ 99,365**	**$ 13,743**	**$ 16,928**	**$ 285,054**	**$ (21,041)**	**$ 264,013**
Fair value adjustments to investment properties[(3)]	**$ (6,443)**	**$ 7,701**	**$ 11,715**	**$ (28,662)**	**$ —**	**$ —**	**$ (15,689)**	**$ —**	**$ (15,689)**
Net loss on transactions and other activities[(4)]	**(1,551)**	**(646)**	**(1,374)**	**(792)**	**—**	**—**	**(4,363)**	**(3,877)**	**(8,240)**

(1) U.S. and Dream Summit JV includes the Trust's share of net rental income from the equity accounted investments while fair value adjustments to investment properties and net loss on transactions and other activities exclude the equity accounted investments in the U.S. and Dream Summit JV segments.

(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 loss on transactions and other activities that were not segmented.

(3) Includes fair value adjustments in Ontario and Western Canada related to Properties Under Development.

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

Nine months ended September 30, 2023	Ontario	Québec	Western Canada	Europe	U.S.[(1)]	Dream Summit JV[(1)]	Segment total	Other[(2)]	Total
Investment properties revenue	$ 89,694	$ 52,823	$ 54,859	$ 117,646	$ 16,799	$ 17,381	$ 349,202	$ (22,519)	$ 326,683
Investment properties operating expenses	(19,251)	(13,293)	(20,477)	(19,799)	(4,393)	(4,738)	(81,951)	4,267	(77,684)
Net rental income (segmented income)	$ 70,443	$ 39,530	$ 34,382	$ 97,847	$ 12,406	$ 12,643	$ 267,251	$ (18,252)	$ 248,999
Fair value adjustments to investment properties	$ 22,750	$ 62,340	$ (15,194)	$ (92,641)	$ —	$ —	$ (22,745)	$ —	$ (22,745)
Net (loss) gain on transactions and other activities[(3)]	(1,001)	(563)	(1,348)	(263)	—	—	(3,175)	544	(2,631)

(1) U.S. and Dream Summit JV segments include the Trust's share of net rental income from the equity accounted investments while fair value adjustments on investment properties and net loss on transactions and other activities exclude the equity accounted investments in the U.S. and Dream Summit JV segments.

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

Investment properties and equity accounted investments

Nine months ended September 30, 2024	Ontario	Québec	Western Canada	Europe	U.S.	Dream Summit JV	Segment total	Other	Total
Investment properties[(1)]	**$ 2,510,307**	**$ 1,237,357**	**$ 819,749**	**$ 2,489,737**	**$ —**	**$ —**	**$ 7,057,150**	**$ —**	**$ 7,057,150**
Capital expenditures[(2)]	**47,318**	**9,965**	**51,817**	**10,773**	**—**	**—**	**119,873**	**—**	**119,873**
Equity accounted investments	**49,030**	**—**	**—**	**—**	**297,304**	**486,494**	**832,828**	**—**	**832,828**

(1) The Ontario segment, Québec segment and Western Canada segment include $76,697, $41,592 and $158,743, respectively, of properties held for development.

(2) Includes building improvements, lease incentives, initial direct leasing costs and development costs. The Ontario segment and Western Canada segment include $37,169 and $42,909, respectively, of development costs, pre-development costs and capitalized interest. The U.S. segment excludes the equity accounted investments.

Year ended December 31, 2023	Ontario	Québec	Western Canada	Europe	U.S.	Dream Summit JV	Segment total	Other	Total
Investment properties[1]	$ 2,466,641	$ 1,217,394	$ 798,615	$ 2,441,624	$ —	$ —	$ 6,924,274	$ —	$ 6,924,274
Capital expenditures[2]	65,755	18,938	96,248	20,097	—	—	201,038	—	201,038
Equity accounted investments	46,975	—	—	—	278,784	483,247	809,006	—	809,006

(1) The Ontario segment and Western Canada segment include $117,766 and $114,345, respectively, of properties held for development.

(2) Includes building improvements, lease incentives, initial direct leasing costs and development costs. The Ontario segment and Western Canada segment include $51,855 and $79,599, respectively, of development costs, pre-development costs and capitalized interest. The U.S. and Dream Summit JV segments exclude the equity accounted investments.

Note 18

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

The Trust is party to (i) an amended and restated asset management agreement (the “North American AMA”) with DAM in respect of its North American portfolio; and (ii) an asset management agreement (the “European AMA”) with a subsidiary of DAM (“Europe Asset Manager”) in respect of its European portfolio.

North American AMA

The North American AMA entitles DAM to a base annual management fee, capital expenditure fee, acquisition fee, financing fee and incentive fee in respect of the Trust’s North American properties. The incentive fee calculation is based on an amount equal to 15% of the Trust’s funds from operations per Unit (“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 (“CPI”) as defined in the North American AMA ($1.03 as of December 31, 2023) 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 had 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, the 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 European hurdle amount (the “European 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 European 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 CPI as defined in the European AMA ($1.03 as of December 31, 2023) 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 September 30, 2024, no incentive fee under the North American AMA has been paid or is payable by the Trust to DAM.

As at September 30, 2024, 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.

In the event that all of the Trust's investment properties had been sold or both the North American AMA and the European AMA had been terminated, based on the investment properties' value reported as at September 30, 2024 of $7.1 billion, and based on the Trust's actual financial results for the trailing 12 months, the estimated overall incentive fee payable would have been $288.5 million. The actual incentive fee payable, if any, would be calculated as of each fiscal year-end and based on the Trust's actual financial results for the year ending December 31.

The amount of the North American incentive fee payable by the Trust, 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.

The following table summarizes the fees paid to or received from DAM and its affiliates for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Incurred under the North American AMA and European AMA:				
Asset management fee (included in general and administrative expenses)	**$ (3,675)**	$ (3,673)	**$ (11,052)**	$ (10,762)
Asset management fee (included in properties under development)	**(190)**	(138)	**(540)**	(303)
Capital expenditures fee (included in investment properties)	**(893)**	(2,717)	**(3,479)**	(4,676)
Acquisition fee (included in investment properties and equity accounted investments)	**—**	(69)	**(182)**	(3,746)
Expense reimbursements related to financing arrangements	**(155)**	(153)	**(440)**	(367)
Total costs incurred under the North American AMA and European AMA	**$ (4,913)**	$ (6,750)	**$ (15,693)**	$ (19,854)
Total costs incurred under the Shared Services and Cost Sharing Agreement	**$ (522)**	$ (486)	**$ (1,416)**	$ (1,355)

Agreement and transactions with Dream Office REIT

The following table summarizes the costs reimbursed to Dream Office REIT for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Total costs reimbursed under the Services Agreement	**$ (1,690)**	$ (1,823)	**$ (6,118)**	$ (6,066)

The following table summarizes our distributions and interest paid and payable to subsidiaries of Dream Office REIT for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Interest paid and payable to Dream Office REIT on subsidiary redeemable units	**$ (2,336)**	$ (2,336)	**$ (7,008)**	$ (8,221)
Distributions paid and payable to Dream Office REIT on REIT Units	**(33)**	(34)	**(99)**	(1,869)
Interest and distributions paid and payable to Dream Office REIT	**$ (2,369)**	$ (2,370)	**$ (7,107)**	$ (10,090)

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

Effective June 13, 2024, PAULS Corp is no longer a related party as Brian Pauls did not stand for re-election on the Trust's Board of Trustees. Our fees paid and costs reimbursed to an affiliate of PAULS Corp under the sub-property management agreement for the six months ended June 30, 2024 amounted to $(264) (for the three and nine months ended September 30, 2023, $(109) and $(312), respectively).

Agreements and transactions with the associate and joint venture

The following table summarizes our fees earned from the associate and joint venture for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Total fees earned under the Property Management Agreements[1]	**$ 4,767**	$ 4,332	**$ 13,985**	$ 11,555

(1) Amounts include management fees, construction fees, leasing fees and cost recovery for property management and accounting related to the U.S. Fund, Dream Summit JV and Development JV.

The following table summarizes our distributions received and receivable from the U.S. Fund, which are reinvested into the U.S. Fund, for the three and nine months ended September 30, 2024 and September 30, 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Total distributions received and receivable from the U.S. Fund	**$ 1,791**	$ 2,826	**$ 7,646**	$ 7,976

Amounts due from (to) related parties

Amounts due from related parties	**September 30, 2024**	December 31, 2023
U.S. Fund, Dream Summit JV and Development JV[1]	**$ 1,979**	$ 4,166

(1) As at September 30, 2024, the balance includes $1,791 of distributions receivable from the U.S. Fund (December 31, 2023 – $2,543).

Amounts due to related parties	**September 30, 2024**	December 31, 2023
DAM	**$ (5,405)**	$ (6,505)
Dream Office REIT	**(457)**	(873)
PAULS Corp[1]	**—**	(36)

(1) Effective June 13, 2024, PAULS Corp ceased to be a related party.

Distributions and interest payable to Dream Office REIT

		September 30, 2024	December 31, 2023
Interest payable on subsidiary redeemable units to Dream Office REIT[(1)]	$	**(778)**	$ (779)
Distributions payable on REIT Units to Dream Office REIT[(2)]		**(11)**	(11)

(1) Interest payable on subsidiary redeemable units is in relation to the 13,346,572 subsidiary redeemable units held by Dream Office REIT as at September 30, 2024 and December 31, 2023, respectively.

(2) Distributions payable is in relation to the 192,735 REIT Units held by Dream Office REIT as at September 30, 2024 and December 31, 2023.

Note 19

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 consolidated financial statements.

As at September 30, 2024, the Trust's remaining contractual commitments related to construction and development projects amounted to $36,165 (December 31, 2023 – $96,480).

As at September 30, 2024, the Trust's remaining contractual commitment of capital contributions to the U.S. Fund amounted to US$9,731 (December 31, 2023 – US$9,731).

Note 20

OTHER FINANCIAL INSTRUMENTS

Interest rate swaps and CCIRS arrangements

The following table summarizes the Trust's interest rates and CCIRS arrangements outstanding as at September 30, 2024 and December 31, 2023:

		Fair value as at September 30, 2024	Fair value as at December 31, 2023
Fair value through other comprehensive income			
Assets[(1)]	$	**35,622**	$ 30,981
Liabilities		**(51,097)**	(23,367)
Fair value through profit or loss			
Assets[(2)]	$	**3,006**	$ 6,813
Liabilities		**(12,222)**	(4,601)

(1) As at September 30, 2024, there is no CCIRS in a current asset position (December 31, 2023 – $1,751 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements).

(2) As at September 30, 2024, $880 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the condensed consolidated financial statements (December 31, 2023 – $1,148 is due to mature in the next twelve months and is included in "Prepaid expenses and other assets" in the consolidated financial statements).

Note 21

FAIR VALUE MEASUREMENTS

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

		Carrying value as at	Fair value as at September 30, 2024		
	Note	September 30, 2024	Level 1	Level 2	Level 3
Financial instruments at amortized cost					
Mortgages	7	$ **483,986**	$ **—**	$ **—**	$ **497,096**
Unsecured debentures	7	**1,695,984**	**—**	**1,682,467**	**—**

	Note	Carrying value as at December 31, 2023	Fair value as at December 31, 2023 Level 1	Level 2	Level 3
Financial instruments at amortized cost					
Mortgages	7	$ 582,399	$ —	$ —	$ 591,158
Unsecured debentures	7	1,695,135	—	1,621,474	—

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 loans 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 DUIP are carried at amortized cost, which approximates fair value as they are readily redeemable financial instruments.

	Note	**Carrying value as at September 30, 2024**	**Fair value as at September 30, 2024** **Level 1**	**Level 2**	**Level 3**
Recurring fair value measurements					
Financial assets					
Fair value of CCIRS	6	**$ 35,622**	**$ —**	**$ 35,622**	**$ —**
Fair value of interest rate swaps[1]	6	**3,006**	**—**	**3,006**	**—**
Financial liabilities					
Fair value of CCIRS	9	**(51,097)**	**—**	**(51,097)**	**—**
Fair value of interest rate swaps	9	**(12,222)**	**—**	**(12,222)**	**—**

(1) As at September 30, 2024, $880 is due to mature in the next twelve months and is included in “Prepaid expenses and other assets” in the condensed consolidated financial statements.

	Note	Carrying value as at December 31, 2023	Fair value as at December 31, 2023 Level 1	Level 2	Level 3
Recurring fair value measurements					
Financial assets					
Fair value of CCIRS[1]	6	$ 30,981	$ —	$ 30,981	$ —
Fair value of interest rate swaps[2]	6	6,813	—	6,813	—
Financial liabilities					
Fair value of CCIRS	9	(23,367)	—	(23,367)	—
Fair value of interest rate swaps	9	(4,601)	—	(4,601)	—

(1) As at December 31, 2023, $1,751 is due to mature in the next twelve months and is included in “Prepaid expenses and other assets” in the consolidated financial statements.

(2) As at December 31, 2023, $1,148 is due to mature in 2024 and is included in “Prepaid expenses and other assets” in the consolidated financial statements. The remainder of $5,665 is due to mature in 2025 and is included in “Derivatives and other non-current assets” in the consolidated financial statements.

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 September 30, 2024, these are classified as Level 2 in the fair value measurement hierarchy. The fair value measurement of the interest rate swaps is valued by qualified independent valuation professionals, and the fair value measurement of the CCIRS is calculated internally using external data provided by qualified professionals. These fair values are based on the present value of the estimated future cash flows determined using observable yield curves and foreign currency rates as applicable.

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