



SMARTREIT®

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**SmartREIT and Mitchell Goldhar Announce First Residential Project – 700 units
At SmartCentres Place in the Vaughan Metropolitan Centre (“VMC”)**

Toronto, Ontario (December 8, 2016) - Smart Real Estate Investment Trust (TSX: SRU.UN) and Mitchell Goldhar today announced that they will soon be commencing marketing and development of the first high-rise residential project of approximately 700 units at SmartCentres Place in Vaughan. The residential project will capitalize on its excellent location, being close to the VMC subway station that is expected to be open and operational in December, 2017 and which will connect to downtown Toronto.

The high-rise condominium project will be developed in a joint venture with CentreCourt Developments Inc. (“CentreCourt”). Pursuant to a letter of intent, CentreCourt will have a 50% interest in the project. The parties are currently working together to finalize the submission of plans for a two-tower development of approximately 35 storeys each. Sales launch is planned for the spring/summer of 2017.

“CentreCourt has embraced our vision for the site, which has been developed through extensive collaboration with the local community and the City of Vaughan. The addition of CentreCourt’s experience and expertise developing high-rise residential in a downtown environment is welcome and will ensure that the office, retail and other residential uses complement one another and integrate with the downtown we are building,” said Mr. Goldhar, Chairman of the Board of SmartREIT.

The SmartCentres Place community will enjoy significant public spaces and community and civic uses, including an eight acre urban park, European style plazas, one or more schools and community facilities, including a public library and a full-service YMCA community centre of 100,000 square feet that will start construction next year.

“This first residential project at SmartCentres Place in the VMC is also timely as a response to the GTA’s housing challenges. It represents a more affordable option for home ownership on a subway line and other high order transit,” added Goldhar.

“We are excited to work with like-minded partners who share similar values and goals as our own. We look forward to maximize the potential of this one-of-a-kind transit oriented mixed use development,” said Andrew Hoffman, Chief Executive Officer of CentreCourt.

“The formation of this joint venture is another step in creating a vital and vibrant urban community where people will live, work, shop and play. This project is the first of many residential projects at SmartCentres Place, and represents SmartREIT’s first foray into the residential sector. In addition to the VMC, there are many other mixed use development opportunities within SmartREIT’s existing portfolio including residential development – both condominiums and rental apartments,” said Huw Thomas, Chief Executive Officer of SmartREIT.

About SmartCentres Place

SmartCentres Place is a 100-acre, 17 million square foot master planned development, connected to downtown Toronto by subway, as part of VMC. VMC, at Highway 400 and Highway 7, is a planning area envisioning 40 million square feet of density around the confluence of various mass transit, including the TTC University subway line's expansion, the new VIVA rapidway and York Regional Transit central bus station. Together these will form the critical elements of the transportation infrastructure serving this budding new centre of commerce, culture, recreation, open spaces and urban life. VMC is unique in that it is centrally located, serviced by the aforementioned subway and bus transit infrastructure and by Highways 400, 407, and 7. It is also unique in that it is currently surrounded substantially by green field, enabling a planned area embodying all the urban characteristics and amenities that modern city visionaries strive for, but generally have difficulty achieving because of physical, legal and ownership constraints. SmartCentres Place at VMC is distinctly positioned to expeditiously accomplish a European style urban centre.

SmartCentres Place in the VMC, which currently contains the KPMG Tower and will soon contain the recently announced 220,000 square foot PWC tower, includes 53 acres of land around the new subway station in a 50/50 joint venture between SmartREIT and Mr. Goldhar. The joint venture plans to develop approximately 8.0 million to 10.0 million square feet of commercial, residential and retail space on its land as part of a 100-acre master planned development, with the remainder of the land owned by Mr. Goldhar in partnership with others.

About SmartREIT

SmartREIT is one of Canada's largest real estate investment trusts with total assets in excess of \$8.6 billion. It owns and manages in excess of 31 million square feet in value-oriented, principally Walmart-anchored retail centres, having the strongest national and regional retailers as well as strong neighbourhood merchants. In addition, SmartREIT is a joint-venture partner in the Toronto and Montreal Premium Outlets with Simon Property Group. SmartREIT's core vision is to provide a value-oriented shopping experience in all forms to Canadian consumers and to create high quality mixed use developments in urban settings.

With SmartREIT's 2015 acquisition of SmartCentres, SmartREIT has transformed into a fully integrated real estate provider. SmartREIT and SmartCentres have had a long and successful alliance, helping to provide Canadians with value-focused retail shopping centres across the country. Now, the alliance has grown even stronger, the result is a fully integrated real estate provider with expertise in planning, development, leasing, operations and construction - all under one roof. For more information on SmartREIT, visit www.smartreit.com.

About Mitchell Goldhar

Mitchell Goldhar is Chairman of the Board of SmartREIT and its largest unitholder. Mr. Goldhar, founder of SmartCentres has developed 56 million square feet in 265 shopping centres in all provinces across Canada, many anchored by a Walmart store. In 2015, Mr. Goldhar vended SmartCentres into SmartREIT, including 200 employees that formed the development platform, enabling the REIT to become fully integrated from site identification through development, construction, project management, site intensification, leasing and operations.

In addition, Penguin Investments Inc., Mr. Goldhar's private company is at various stages of development of 78 properties across Canada, including his interest in the VMC 100-acre master planned development and as a partner with Walmart in 14 development properties. Mr. Goldhar has also developed an emerging network of Penguin Pick-Up locations offering free, convenient pick-up locations for online purchases, and Penguin Fresh, an on-line food marketplace. Penguin Pick-up now has 50 locations.

About CentreCourt

CentreCourt Developments Inc. is a leader in the development of high-rise condominiums in downtown Toronto. Since 2011, CentreCourt has completed and/or is in various stages of developing over 3,000 condominium units in six major high-rise projects with a development value of over \$1.2 billion.

Certain statements in this Press Release are "forward-looking statements" that reflect SmartREIT's expectations regarding future growth and business prospects. More specifically, certain statements in this Press Release including statements related to the development of the VMC and statements that contain words such as "expect", "will", and similar expressions and statements relating to matters that are not historical facts and constitute "forward-looking statements". Such forward-looking statements reflect SmartREIT's current beliefs and are based on information currently available to SmartREIT. However, such forward-looking statements involve risks and uncertainties and a number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this Press Release are based on what SmartREIT believes to be reasonable assumptions, SmartREIT cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. These forward-looking statements are made as at the date of this Press Release and SmartREIT assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation

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