

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the short form base shelf prospectus dated September 15, 2017 to which it relates, as amended or supplemented, and each document incorporated by reference into this prospectus supplement or the accompanying prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or the securities laws of any state of the United States (as defined herein). Accordingly, except as permitted by the Underwriting Agreement (as defined herein) and pursuant to transactions exempt from registration under the 1933 Act and under the securities laws of any applicable U.S. state, these securities may not be offered, sold or delivered, directly or indirectly, within the United States, and this prospectus supplement, together with the short form base shelf prospectus to which it relates, does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus supplement and the accompanying prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Dream Industrial Real Estate Investment Trust at 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1 (telephone 416-365-3535), and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT
To a Short Form Base Shelf Prospectus dated September 15, 2017

New Issue

June 22, 2018



DREAM INDUSTRIAL REAL ESTATE INVESTMENT TRUST

\$125,235,000
12,100,000 Units

This prospectus supplement, together with the short form base shelf prospectus dated September 15, 2017 to which it relates (the “**base shelf prospectus**”), qualifies the distribution of 12,100,000 units (“**Units**”) of Dream Industrial Real Estate Investment Trust (the “**REIT**”), at a price of \$10.35 per Unit. We refer to the base shelf prospectus, as supplemented by this prospectus supplement, as this “**prospectus**”.

Our outstanding Units are listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**DIR.UN**”. On June 20, 2018, the date of our announcement of this offering, the closing price of the Units on the TSX was \$10.67. On June 21, 2018, the trading day immediately prior to the date of this prospectus supplement, the closing price of the Units on the TSX was \$10.31. The TSX has conditionally approved the listing of the Units to be issued by the REIT on the TSX. Listing will be subject to the REIT fulfilling all of the requirements of the TSX on or before September 21, 2018.

PRICE: \$10.35 per Unit

	<u>Price to the Public</u>	<u>Underwriters’ Fee</u>	<u>Net Proceeds to the REIT⁽¹⁾</u>
Per Unit	\$10.35	\$0.414	\$9.936
Total ⁽²⁾	\$125,235,000	\$5,009,400	\$120,225,600

Notes:

- (1) After deducting the Underwriters' fee but before deducting expenses of this offering, estimated to be \$0.6 million, which will be paid from the proceeds of this offering.
- (2) We have granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part for a period of 30 days from the closing of this offering, to purchase up to 1,815,000 additional Units from us on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the total Price to the Public, Underwriters' Fee and Net Proceeds to the REIT will be \$144,020,250, \$5,760,810 and \$138,259,440, respectively. This prospectus qualifies the grant of the Over-Allotment Option and the issuance of Units on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriters' over-allocation position acquires such Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

Underwriters' position	Maximum number of securities available	Exercise period or acquisition date	Exercise price or average acquisition price
Over-Allotment Option	1,815,000	30 days from closing of this offering	\$10.35 per Unit
Compensation option	N/A	N/A	N/A
Any other option granted by issuer or insider of issuer..	N/A	N/A	N/A
Total securities under option	1,815,000	30 days from closing of this offering	\$10.35 per Unit
Other compensation securities.....	N/A	N/A	N/A

The price of the Units offered under this prospectus was established by negotiation between us and TD Securities Inc., on behalf of itself and CIBC World Markets Inc., Scotia Capital Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., National Bank Financial Inc., Desjardins Securities Inc., Echelon Wealth Partners Inc., GMP Securities L.P. and Industrial Alliance Securities Inc. (collectively, the "**Underwriters**").

In connection with this offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Units at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Units at a price lower than that stated above. See "Plan of Distribution".**

There are certain risks inherent in an investment in our Units and in our activities. Prospective investors should carefully consider these risk factors before purchasing Units. See "Risk Factors". In the opinion of Counsel (as defined herein), the Units will, on closing of this offering, be qualified investments under the Tax Act for Plans as set out under and based upon the assumptions set out under "Eligibility for Investment".

A return on an investment in Units is not comparable to the return on an investment in a fixed income security. The recovery of your investment in Units is at risk, and the anticipated return on your investment in Units is based on many performance assumptions.

Although we intend to make distributions of our available cash to holders of Units, these cash distributions may be reduced or suspended, depending on numerous factors disclosed in our continuous disclosure documents. The actual amount distributed will depend on numerous factors, including the financial performance of our properties, currency fluctuations, debt covenants and other contractual obligations, working capital requirements and future capital requirements, all of which are subject to a number of risks. In addition, the market value of our Units may decline if our distributions are reduced or suspended, and that decline may be significant.

It is important for you to consider the particular risk factors that may affect the real estate industry and therefore the stability of distributions paid by us on our Units. See, for example, "Risk Factors" in our 2017 AIF (as defined herein) and "Risks and Our Strategy to Manage" in our 2017 MD&A (as defined herein), which are incorporated by reference into this prospectus. Those documents also describe our assessment of certain of those risk factors, as well as the potential consequences to you if a risk should occur.

The after-tax return from an investment in Units to a Unitholder, as defined in the section "Certain Canadian Federal Income Tax Considerations", will depend, in part, on the composition for income tax purposes of distributions paid by us on our Units, portions of which may be fully or partially taxable or may constitute tax deferred distributions. The composition may change over time, affecting a Unitholder's after-tax return. Distributions of the taxable income of the REIT will generally be taxed as ordinary income in the hands of a Unitholder (as defined herein). Distributions in excess of the taxable income of the REIT will generally be tax-deferred (and reduce a Unitholder's cost base in the Unit for tax purposes). Moreover, the after-tax return from an investment in Units may be affected by the level of applicable tax, if any, payable on amounts that give rise to distributable income of the REIT.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by us and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on our behalf by Osler, Hoskin & Harcourt LLP, with respect to securities and other matters, and PwC Law LLP, a law firm affiliated with PricewaterhouseCoopers LLP, with respect to certain tax matters, and on behalf of the Underwriters by Torys LLP.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved by the Underwriters to close the subscription books at any time without notice. Closing of this offering is expected to occur on June 29, 2018 or such other date as we and the Underwriters may agree, but in any event not later than July 6, 2018. The Units offered under this prospectus will be deposited with CDS Clearing and Depository Services Inc. (“CDS”) on the closing date of this offering. A purchaser of Units pursuant to this offering will not receive a unit certificate on closing. Purchasers of Units will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Units are purchased.

The REIT is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on the business of a trust company. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act*, and are not insured under the provisions of that act or any other legislation.

The REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario. Our head office is located at 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1.

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BASE SHELF PROSPECTUS

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the securities that we are currently offering. The second part is the accompanying base shelf prospectus, which gives more general information, some of which may apply to the securities that we are currently offering.

You should read this prospectus supplement along with the accompanying base shelf prospectus. You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying base shelf prospectus, which we together refer to as “this prospectus”. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information provided by this prospectus supplement or the accompanying base shelf prospectus is accurate as of any date other than the date on the front of these documents. Our business, financial condition, results of operations and accompanying prospects may have changed since those dates. The Units are being offered only in jurisdictions in which offers and sales are permitted.

If the information varies between this prospectus supplement and the accompanying base shelf prospectus, the information in this prospectus supplement supersedes the information in the accompanying base shelf prospectus. Unless otherwise stated in this prospectus supplement, all disclosure in this prospectus supplement assumes that the Over-Allotment Option has not been exercised.

Certain tables in this prospectus may not add due to rounding.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the accompanying base shelf prospectus solely for the purpose of this offering of Units. Other documents are also incorporated or deemed to be incorporated by reference into the accompanying base shelf prospectus and you should refer to the base shelf prospectus for full particulars thereof.

The following documents filed with the various securities commissions or similar regulatory authorities in each of the provinces of Canada, are specifically incorporated by reference into and form an integral part of this prospectus supplement and the accompanying base shelf prospectus as of the date of this prospectus supplement:

- (a) the annual information form of the REIT dated March 27, 2018 for the year ended December 31, 2017 (the “**2017 AIF**”);
- (b) the management information circular of the REIT dated March 26, 2018 prepared in connection with the annual meeting of unitholders held on May 17, 2018;
- (c) the audited consolidated financial statements of the REIT as at and for the years ended December 31, 2017 and December 31, 2016, together with the notes thereto and the independent auditor’s report thereon;
- (d) the management’s discussion and analysis of the financial condition and results of operations of the REIT for the year ended December 31, 2017 (the “**2017 MD&A**”);
- (e) the unaudited condensed consolidated financial statements of the REIT as at March 31, 2018 and for the three month periods ended March 31, 2018 and March 31, 2017, together with the notes thereto;
- (f) the management’s discussion and analysis of the financial condition and results of operations of the REIT for the three month period ended March 31, 2018; and
- (g) the template version of the term sheet for the Units dated June 20, 2018 filed on SEDAR in connection with this offering (the “**Term Sheet**”).

Any documents of the type referred to above, any business acquisition reports, any material change reports (excluding confidential material change reports, if any) and any other documents of the type described in item 11.1 of Form 44-101F1 – *Short Form Prospectus* filed by the REIT with the securities commissions or similar regulatory authorities in the provinces of Canada after the date of this prospectus supplement and prior to the termination of this offering shall be deemed to be incorporated by reference into and form an integral part of this prospectus. **Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus for the purposes of the distribution of Units pursuant to this offering shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that also is incorporated or is deemed to be incorporated by reference in this prospectus, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or omission to state a material fact that was required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall be deemed, except as so modified or superseded, not to constitute a part of this prospectus.**

MARKETING MATERIALS

The Term Sheet is specifically incorporated by reference into this prospectus as of the date of this prospectus supplement. See “Documents Incorporated by Reference”. Any “template version” of “marketing materials” (as defined in National Instrument 41-101 – *General Prospectus Requirements*) is not part of this prospectus supplement to the extent that the contents of the template version of marketing materials have been modified or superseded by a statement contained in this prospectus supplement or any amendment. Any template version of marketing materials filed with the securities commission or similar regulatory authority in each of the provinces of Canada in connection with this offering after the date of this prospectus supplement and before the termination of the distribution of Units under this prospectus (including any amendments to, or an amended version of, the Term Sheet) is deemed to be incorporated by reference into this prospectus.

FORWARD-LOOKING INFORMATION

This prospectus contains or incorporates by reference certain statements that are “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information generally can be identified by the use of terminology such as “outlook”, “objective”, “may”, “would”, “could”, “should”, “will”, “likely”, “expect”, “intent”, “estimate”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project” or similar expressions suggesting future outcomes or events. They include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and our objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the plans and objectives of our Board of Trustees, or estimates or predictions of actions of tenants, suppliers, competitors or regulatory authorities and statements regarding our future economic performance and potential acquisitions. We have based these forward-looking statements on our current expectations about future events. Some of the specific forward-looking statements included or incorporated by reference in this prospectus include, but are not limited to, statements with respect to:

- our stated objectives, including our commitment to managing our business to provide growing cash flow and stable and sustainable returns, through adapting our strategy and tactics to changes in the real estate industry and the economy;
- our strategy to grow our portfolio by investing in key markets to generate stable cash flows for our unitholders;
- our seeking to grow and diversify our portfolio to increase value on a per unit basis, further improve the sustainability of our distributions, strengthen our tenant profile and mitigate risk;

- our ability to execute our business and growth strategies, including by seeking to invest in desirable, highly functional properties located in major industrial centres that are well-leased on a long-term basis to quality tenants;
- our access to available sources of debt and equity financing;
- the anticipated closing date of this offering; and
- the potential acquisitions referred to in “Recent Developments”; the expected purchase price and going in capitalization rate of these properties and the weighted average rental escalators reflected in the leases governing these properties; and our intentions for financing such acquisitions.

Forward-looking information does not take into account the effect of transactions or other items announced or occurring after the statements are made. For example, they do not include the effect of dispositions, acquisitions, other business transactions, asset write downs or other charges announced or occurring after the forward-looking statements are made.

Forward-looking information is based upon a number of expectations and assumptions and is subject to a number of risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. Although we believe that the expectations reflected in such forward-looking information are reasonable, we can give no assurance that these expectations will prove to have been correct, and since forward-looking information inherently involves risks and uncertainties, undue reliance should not be placed on such information. The estimates and assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth in this prospectus as well as the following:

- that we will receive financing on favourable terms;
- that our future level of indebtedness and our future growth potential will remain consistent with our current expectations;
- that no unforeseen changes in the legislative and operating framework for our business will occur, including unforeseen changes to tax laws or governmental regulations in Canada or the United States;
- that we will retain and continue to attract qualified and knowledgeable personnel as we expand our portfolio and business;
- that the impact of the current economic climate and the current global financial conditions on our operations, including our financing capability and asset value, will remain consistent with our current expectations;
- that interest rates remain stable;
- that there will be no material changes to government and environmental regulations adversely affecting our operations;
- that conditions in Canada and the United States and, in particular, the industrial real estate market, including competition for acquisitions, will be consistent with the current climate;
- that capital markets will continue to provide us with ready access to equity and debt financing and that we will have access to adequate capital to fund our future projects and plans; and
- that there will not be a material change in foreign exchange rates, particularly between the U.S. dollar and the Canadian dollar, as compared with our assumed foreign exchange rates.

The forward-looking information is subject to inherent uncertainties and risks, including, but not limited to the factors referred to under the heading “Recent Developments – Current discussions and agreements regarding proposed acquisitions and dispositions”, “Use of Proceeds” and “Risk Factors” in this prospectus supplement, under the heading “Risk Factors” in the base shelf prospectus, under the heading “Risk Factors” in our 2017 AIF and under the heading “Risks and Our Strategy to Manage” in our 2017 MD&A. Consequently, actual results and events may vary significantly from those included in, contemplated or implied by such statements. These risks and uncertainties include, but are not limited to, adverse changes in general economic and market conditions in Canada and the United States; our inability to raise additional capital; our inability to execute strategic plans and meet financial obligations; risks associated with our anticipated real estate operations and investment holdings in general, including environmental risks, market risks, and risks associated with inflation, changes in interest rates and other financial exposures; the financial condition of tenants; our ability to refinance debt on favourable terms; changes to tax laws; leasing risks, including those associated with the ability to lease vacant space; and, with respect to the potential acquisitions referred to under “Recent Developments”, the risk of failure to reach definitive agreements relating to the acquisitions, to receive any required approvals or consents in connection with the acquisitions, to satisfy or waive any conditions to the acquisitions or to realize the expected benefits from any such acquisitions, as well as the risk that the properties may not perform as anticipated, if acquired.

The forward-looking information contained in or incorporated by reference into this prospectus is expressly qualified in its entirety by these cautionary statements. All forward-looking information in this prospectus speaks as of the date of this prospectus supplement, or as of the date of such information to the extent such information is given as of a particular date other than the date of this prospectus supplement. We do not undertake any obligation 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 and risks and uncertainties is contained in our filings with securities regulators, including our 2017 AIF and 2017 MD&A, which are available on SEDAR at www.sedar.com. These filings are also available on our website at www.dreamindustrialreit.ca. Our website, and the information presented on our website, is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

TERMS USED TO DESCRIBE THE REIT AND ITS ACTIVITIES

Capitalized terms used in this prospectus supplement are defined under “Glossary of Terms”.

Our investment and operating activities are limited, because our operating activities are carried out by our subsidiaries. For simplicity, we use terms in this prospectus to refer to our investments and operations as a whole. Accordingly, in this prospectus, unless the context otherwise requires, when we use terms such as “we”, “us” and “our”, we are referring to the REIT and its subsidiaries. When we use expressions such as “our investments”, “our business”, or “our operations”, we are referring to the investments, business and operations of the REIT and its subsidiaries as a whole. When we use expressions such as “our properties”, “our portfolio”, “we own” or “we invest in” in relation to our properties, we are referring to our ownership of and investment in our properties indirectly through our subsidiaries. When we refer to the “REIT”, we are referring only to Dream Industrial Real Estate Investment Trust.

In this prospectus, references to “\$”, “dollars” or “Canadian dollars” are to Canadian dollars. Amounts are stated in Canadian dollars unless otherwise indicated. Under the section “Recent Developments”, for the purpose of expressing the expected total purchase price of the properties referred to therein in Canadian dollars, we have converted any estimated U.S. dollar purchase prices of properties into Canadian dollars using an exchange rate of \$1.3310 per U.S. dollar as of June 21, 2018.

THE REIT

We provide investors with the opportunity to invest in a pure play industrial real estate investment trust based in Canada with a growing presence in the United States. As at March 31, 2018, we owned and operated 219 primarily light industrial income-producing properties totalling 19.1 million square feet of gross leasable area (“GLA”), excluding the property held for sale as at that date. Our properties are located in key industrial markets across Canada and the Southeastern United States. Dream Asset Management Corporation, a subsidiary of Dream Unlimited Corp. (TSX: DRM), is our asset manager.

The REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario. The REIT is a “mutual fund trust” as defined in the Tax Act, but is not a “mutual fund” within the meaning of applicable Canadian securities legislation. Our head office is located at 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1. A copy of our Declaration of Trust is available from our Secretary and is available on SEDAR at www.sedar.com.

RECENT DEVELOPMENTS

Current discussions and agreements regarding proposed acquisitions and dispositions

Consistent with our past practices and in the normal course, we are engaged in discussions with respect to possible acquisitions of new properties and dispositions of existing properties in our portfolio. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition or disposition would be.

We are currently in advanced and exclusive negotiations with vendors on assets in our target markets in the United States (in the Midwest) and Ontario (in the Greater Toronto Area). The asset in Ontario is currently under contract, as referred to below. The combined expected purchase price of these properties is anticipated to exceed \$100 million and will be funded by assumed mortgage debt and the net proceeds of this offering.

The combined GLA of these properties is approximately 925,000 square feet. The assets are high quality, well located assets in strong industrial markets. All assets are fully occupied, with a weighted average lease term of 6.8 years. The expected going in capitalization rate on these properties is approximately 6.3% and the properties have weighted average annual rental escalators of approximately 1.2% over the term of the leases.

We expect to continue our due diligence and negotiations in respect of these acquisitions. We have entered into a definitive agreement in respect of the asset in Ontario referred to above, subject to due diligence and other conditions. We have not yet entered into a definitive agreement in respect of the assets in the United States referred to above. There can be no assurance that any of our due diligence and negotiations with respect to the assets referred to above will result in a definitive agreement (or, in the case of the asset in Ontario, the waiver of our due diligence condition) or as to what the terms or timing of any acquisition of those assets would be. The closing of this offering is not conditional on the closing of any of these acquisitions. See “Risk Factors”.

We have determined that none of these acquisitions, individually or in the aggregate, would be a “significant acquisition” for the purposes of applicable Canadian securities laws.

Intention to Redeem 5.25% Debentures

As at June 22, 2018, we had approximately \$111.3 million aggregate principal amount of 5.25% Debentures outstanding. We intend to redeem our outstanding 5.25% Debentures prior to their maturity date on December 31, 2019, and anticipate that we will apply a portion of the net proceeds of this offering to partially fund the redemption of our outstanding 5.25% Debentures.

USE OF PROCEEDS

The net proceeds to the REIT from the sale of Units under this prospectus will be \$120,225,600 (\$138,259,440, if the Over-Allotment Option is exercised in full) after deduction of the Underwriters’ fee, but before deducting the expenses of this offering, estimated to be approximately \$0.6 million.

We intend to use the net proceeds from this offering (including any proceeds from the exercise of the Over-Allotment Option) to fund acquisitions, to partially fund the redemption of our outstanding 5.25% Debentures and for general trust purposes.

See “Recent Developments – Current discussions and agreements regarding proposed acquisitions and dispositions” for an update on certain of the acquisitions we are considering.

CONSOLIDATED CAPITALIZATION

The material changes in our consolidated capitalization from April 1, 2018 to June 20, 2018 are as follows:

- indebtedness increased by \$52.0 million as a result of: (i) \$104.0 million of new mortgage indebtedness, offset by mortgage principal repayments of \$22.8 million; (ii) \$33.5 million in repayments under our credit facility; and (iii) an increase of \$4.3 million due to the increase in our U.S. dollar denominated indebtedness as a result of the appreciation of the U.S. dollar against the Canadian dollar; and
- unitholders' equity increased by \$6.5 million due to the issuance of: (i) 616,591 Units pursuant to our DRIP and DRIP-like arrangements provided for in the limited partnership agreement of Industrial Partnership; and (ii) 9,108 Units pursuant to the vesting of Deferred Units under our Deferred Unit Incentive Plan.

As a result of the planned issuance of Units under this prospectus, Unitholders' equity would increase by approximately \$119.6 million (\$137.6 million if the Over-Allotment Option is exercised in full), net of the Underwriters' fee and expenses of this offering, which expenses are estimated to be approximately \$0.6 million. As discussed under "Use of Proceeds", we intend to use the net proceeds of this offering to partially fund the redemption of our outstanding 5.25% Debentures.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, we have agreed to sell and the Underwriters have severally agreed to purchase, subject to the terms and conditions contained in the Underwriting Agreement, on June 29, 2018 or on such other date as may be agreed between the REIT and the Underwriters but, in any event, not later than July 6, 2018, a total of 12,100,000 Units at a price of \$10.35 per Unit, payable in cash to the REIT against delivery of the Units, for aggregate gross proceeds of \$125,235,000. The Underwriting Agreement provides that we will pay to the Underwriters a fee of \$0.414 per Unit (an aggregate of \$5,009,400) in consideration for their services in connection with this offering. The first distribution which purchasers of Units under this offering will be entitled to receive will be payable on or about July 16, 2018 to unitholders of record on June 29, 2018.

We have granted to the Underwriters the Over-Allotment Option, which is exercisable in whole or in part for a period of 30 days from the closing of this offering, to purchase up to 1,815,000 additional Units from us on the same terms as set out above solely to cover over-allotments, if any. We have agreed to pay to the Underwriters a fee of \$0.414 per Unit with respect to Units issued under the Over-Allotment Option. This prospectus qualifies the grant of the Over-Allotment Option and the issuance of Units on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriters' over-allocation position acquires such Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events, including: (i) certain investigations or changes in law that could prevent or restrict the trading of the Units; (ii) any material changes in our financial condition, assets, liabilities, business, affairs or operations which could be expected to have a material adverse effect on the market price or value of the Units; (iii) certain events affecting the state of the financial markets; (iv) an order made by any securities regulatory authority which restricts the distribution of the Units where such order has materially adversely affected or may adversely affect the ability of an Underwriter to offer or to continue to offer the Units for sale; or (v) any change in federal income, trade or real estate tax laws in Canada or the United States which could be expected to have a material adverse effect on the market price or value of the Units. The Underwriters are, however, severally obligated to take up and pay for all of the Units that they have agreed to purchase if any of such Units are purchased under the Underwriting Agreement.

This offering is being made in each of the provinces of Canada. The Units offered hereby have not been, and will not be, registered under the 1933 Act or the securities laws of any state of the United States. Accordingly, the Units may not be offered, sold or delivered, directly or indirectly, within the United States, except in accordance with the Underwriting Agreement and pursuant to an exemption from registration under the 1933 Act and applicable U.S. state securities laws. The Underwriting Agreement permits the Underwriters, through their U.S. registered broker-dealer affiliates, to offer and sell the Units to "qualified institutional buyers" (as defined in Rule 144A under the 1933

Act (“**Rule 144A**”) pursuant to Rule 144A and similar exemptions under applicable U.S. state securities laws. The Underwriting Agreement also provides that the Underwriters will offer the Units outside the United States only in accordance with Regulation S under the 1933 Act. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States.

In addition, until 40 days after the commencement of this offering, an offer or sale of Units within the United States by any dealer (whether or not participating in this offering) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the 1933 Act. The Units sold in the United States will be “restricted securities” within the meaning of Rule 144 under the 1933 Act.

We have agreed to indemnify the Underwriters and their directors, officers and employees against certain liabilities pursuant to the Underwriting Agreement, including liabilities under Canadian securities legislation.

We have agreed that we will not, directly or indirectly, without the prior written consent of TD Securities Inc., on behalf of the Underwriters, such consent not to be unreasonably withheld, issue, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any Units of the REIT or any securities convertible into, or exchangeable or exercisable for Units of the REIT, for a period ending on the date that is 90 days after the closing of this offering, except: (i) in connection with the exchange, transfer, conversion or exercise of rights of existing outstanding securities or existing commitments to issue securities; (ii) as full or partial consideration for arm’s length acquisitions of assets or shares; or (iii) Units or securities convertible into, or exchangeable or exercisable for Units of the REIT issued pursuant to our DRIP or Deferred Unit Incentive Plan.

In addition, Dream Office Real Estate Investment Trust will agree, until the date which is 90 days after closing of this offering, that it will not, and will ensure that its subsidiaries and associates do not, without the consent of TD Securities Inc., on behalf of the Underwriters, which consent shall not be unreasonably withheld, sell, agree to sell, or announce an intention to sell any Units of the REIT or any securities convertible into or exchangeable for Units of the REIT, subject to certain limited exceptions.

Dream Office LP, on behalf of itself and other holders, has waived its registration rights under the exchange and support agreement dated October 4, 2012 with respect to this offering.

The TSX has conditionally approved the listing of the Units to be issued by the REIT on the TSX. Listing will be subject to the REIT fulfilling all of the requirements of the TSX on or before September 21, 2018.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved by the Underwriters to close the subscription books at any time without notice. The Units offered under this prospectus will be deposited with CDS on the closing date of this offering. A purchaser of Units pursuant to this offering will not receive a unit certificate on closing. Purchasers of Units will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Units are purchased.

The Underwriters propose to offer the Units initially at the offering price specified on the cover page of this prospectus supplement. After the Underwriters have made a reasonable effort to sell all of the Units at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the price paid by the Underwriters to the REIT.

In addition, in accordance with policy statements of certain Canadian securities regulatory authorities and the Universal Market Integrity Rules for Canadian Marketplaces (“**UMIR**”), the Underwriters may not, at any time during the period of distribution, bid for or purchase Units. The foregoing restriction is, however, subject to certain exceptions as permitted by such policy statements and UMIR. These exceptions include a bid or purchase permitted under the provisions of such policy statements and the UMIR relating to market stabilization and market balancing activities and a bid or purchase on behalf of a customer where the order was not solicited.

In connection with this offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Units offered hereby at levels other than those which otherwise might prevail on the open market, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids; and
- syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of Units while this offering is in progress. These transactions may also include making short sales of Units, which involve the sale by the Underwriters of a greater number of Units than they are required to purchase in this offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the Over-Allotment Option, or may be “naked short sales”, which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Units in the open market. In making this determination, the Underwriters will consider, among other things, the price of Units available for purchase in the open market compared to the price at which they may purchase Units through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Units in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Units in the open market that could adversely affect investors who purchase Units in this offering. Any naked short position would form part of the Underwriters’ over-allocation position.

As a result of these activities, the price of the Units offered hereby may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSX, in the over-the-counter market or otherwise.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of PwC Law LLP, a law firm affiliated with PricewaterhouseCoopers LLP and special tax counsel to the REIT, and Torys LLP, counsel to the Underwriters (together, the “**Counsel**”), the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of Units by an investor who acquires such Units pursuant to this offering. This summary is applicable to an investor who at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada, deals at arm’s length and is not affiliated with the REIT and its Affiliates and holds the Units as capital property (in this section, a “**Unitholder**”). Generally, the Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Units, and any other “Canadian security” (as defined in the Tax Act) owned in the taxation year in which the election is made and in subsequent taxation years, deemed to be capital property. Unitholders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Unitholder: (i) that is a “financial institution” for purposes of the mark-to-market rules; (ii) that is a “specified financial institution”; (iii) that has elected to determine its Canadian tax results in accordance with a “functional currency”; (iv) an interest in which is a “tax shelter investment”; or (v) that has entered into or will enter into a “derivative forward agreement” with respect to the Units, as each term is defined in the Tax Act. Such holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units acquired pursuant to the offering. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Units under this offering.

This summary is based upon the provisions of the Tax Act, a certificate as to certain factual matters from an officer of the REIT, and Counsel’s understanding, based on publicly available published materials, of the

administrative policies and assessing practices of the CRA, all in effect as of the date of this prospectus supplement. This summary takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this prospectus supplement (the “**Tax Proposals**”). Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in CRA’s administrative policies and assessing practices, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. There can be no assurances that the CRA will not change its administrative policies and assessing practices.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the Unitholder’s particular circumstances. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective investor of Units. Consequently, a prospective investor should consult the investor’s own tax advisor for advice with respect to the tax consequences of an investment in Units based on the prospective investor’s particular circumstances.

Status of the REIT

Qualification as a “Mutual Fund Trust”

Based on representations as to certain factual matters from an officer of the REIT, the REIT has at all times qualified, and is expected to continue to qualify, at all times as a “mutual fund trust” within the meaning of the Tax Act. This summary assumes this to be the case.

If the REIT were not to qualify as a mutual fund trust at any particular time, the income tax considerations described below would, in some respects, be materially different.

Qualification as a “Real Estate Investment Trust”

SIFT Legislation

The SIFT Legislation effectively taxes certain income of a publicly-traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. These rules apply only to “SIFT trusts”, “SIFT partnerships” (each as defined in the Tax Act) and their investors.

A trust resident in Canada will generally be a SIFT trust for a particular taxation year for purposes of the Tax Act if, at any time during the taxation year, investments in the trust are listed or traded on a stock exchange or other public market and the trust holds one or more “non-portfolio properties” (as defined in the Tax Act). Non-portfolio properties generally include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections to Canada. However, a trust will not be considered a SIFT trust for a taxation year if it qualifies as a “real estate investment trust” (as defined in the Tax Act) for that year (the “**REIT Exception**”) (discussed below).

Where the SIFT Legislation applies, distributions of a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s net income. Non-portfolio earnings are generally defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and taxable capital gains from the disposition of, non-portfolio properties. The SIFT trust is itself liable to pay income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust are generally deemed to be taxable dividends received by such holder from a taxable Canadian corporation. Such deemed dividends will qualify as “eligible dividends” for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada. Distributions that are paid as returns of capital will generally not attract the tax under the SIFT Legislation.

REIT Exception

A trust that satisfies the REIT Exception is excluded from the definition of a SIFT trust in the Tax Act and is therefore not subject to the SIFT Legislation.

The following five criteria must be met in order for a trust to qualify for the REIT Exception:

- (a) at each time in the taxation year, the total fair market value at that time of all “non-portfolio properties” that are “qualified REIT properties” held by the trust must be at least 90% of the total fair market value at that time of all non-portfolio properties held by the trust;
- (b) not less than 90% of the trust’s “gross REIT revenue” for the taxation year must be from one or more of the following: “rent from real or immovable properties”, interest, dispositions of “real or immovable properties” that are capital properties, dividends, royalties and dispositions of “eligible resale properties”;
- (c) not less than 75% of the trust’s gross REIT revenue for the taxation year must be from one or more of the following: rent from real or immovable properties, interest from mortgages, or hypothecs, on real or immovable properties, and dispositions of real or immovable properties that are capital properties;
- (d) at each time in the taxation year an amount that is equal to 75% or more of the equity value of the trust at that time, is the amount that is the total fair market value of all properties held by the trust each of which is a real or immovable property that is a capital property, an eligible resale property, cash, a deposit (within the meaning of the *Canada Deposit Insurance Corporation Act* or with a branch in Canada of a bank or a credit union), indebtedness of a Canadian corporation represented by a banker’s acceptance, and debt issued or guaranteed by the Canadian government or issued by a province, municipal government or certain other qualifying public institutions; and
- (e) investments in the trust must be, at any time in the taxation year, listed or traded on a stock exchange or other public market.

The SIFT Legislation contains specific rules under which a trust could qualify for the REIT Exception where it holds its real properties indirectly through intermediate entities, provided that, other than with respect to the listing or trading requirement, each such entity, assuming it were a trust, would satisfy the REIT Exception.

The REIT Exception in the SIFT Legislation contains a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made at the end of that taxation year. Based on representations as to certain factual matters from an officer of the REIT, the REIT has at all times qualified, and is expected to continue to qualify, throughout 2018 and all subsequent taxation years for the REIT Exception. The REIT also expects that each direct or indirect subsidiary of the REIT has at all times qualified and will continue to qualify as an “excluded subsidiary entity” as defined in the Tax Act throughout 2018 and subsequent taxation years. The balance of this summary assumes this to be the case. If the REIT does not so qualify or ceases to qualify as a real estate investment trust under the REIT Exception, or each direct or indirect subsidiary of the REIT were not to qualify as an excluded subsidiary entity, the income tax considerations described below would, in some respects, be materially different.

Taxation of the REIT

The taxation year of the REIT is the calendar year. In each taxation year, the REIT will generally be subject to tax under Part I of the Tax Act on its income for the year, including net taxable capital gains for that year and its allocated share of the income from Industrial Partnership for the fiscal period of Industrial Partnership ending in, or coinciding with the year-end of the REIT, less the portion thereof that it deducts in respect of the amounts paid or payable, or deemed to be paid or payable, to Unitholders in the year. An amount will be considered to be payable to a

Unitholder in a taxation year if it is paid to the Unitholder in the year by the REIT or if the Unitholder is entitled in that year to enforce payment of the amount.

The REIT will, generally, also not be subject to tax on any amounts received as distributions from Industrial Partnership. Generally, distributions to the REIT in excess of its allocated share of the income of Industrial Partnership for a fiscal period will result in a reduction of the adjusted cost base of the REIT's units in Industrial Partnership, by the amount of such excess. If the REIT's adjusted cost base at the end of a taxation year of its units in Industrial Partnership is a negative amount, the REIT will be deemed to realize a capital gain in such amount for that year, and the REIT's adjusted cost base at the beginning of the next taxation year of its units in Industrial Partnership will then be nil.

In computing its income for purposes of the Tax Act, the REIT may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income. The REIT may also deduct from its income for the year a portion of any reasonable expenses incurred by the REIT to issue Units. The portion of such issue expenses deductible by the REIT in a taxation year is 20% of such issue expenses, pro-rated where the REIT's taxation year is less than 365 days.

Having regard to the present intention of the REIT's trustees, the REIT will make distributions in each year to Unitholders in an amount sufficient to ensure that the REIT will generally not be liable for tax under Part I of the Tax Act in any year (after taking into account any applicable tax refunds to the REIT). Where income of the REIT in a taxation year exceeds the total cash distributions for that year, such excess income may be distributed to Unitholders in the form of additional Units. Income of the REIT payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by the REIT in computing its taxable income.

An *in specie* redemption of any Units and the transfer by the REIT of Subsidiary Securities to redeeming Unitholders will each be treated as a disposition by the REIT of such Subsidiary Securities for proceeds of disposition equal to the fair market value thereof. The REIT will realize a capital gain (or a capital loss) to the extent that the proceeds from these dispositions exceed (or are less than) the adjusted cost base of the Subsidiary Securities, as the case may be, and any reasonable costs of disposition.

Losses incurred by the REIT cannot be allocated to Unitholders, but can be deducted by the REIT in future years in computing its taxable income, in accordance with the Tax Act. In the event the REIT would otherwise be liable for tax on its net taxable capital gains realized by the REIT for a taxation year, it will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for such tax by an amount determined under the Tax Act based on the redemption of Units during the year (the "**capital gains refund**"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the REIT's tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units and the related *in specie* redemption by the REIT of any Subsidiary Securities. The Declaration of Trust provides that all or a portion of any capital gain or income realized by the REIT in connection with such redemptions may, at the discretion of the Board of Trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming Unitholder. Such income or the taxable portion of any capital gain so designated must be included in the income of the redeeming Unitholders (as income or taxable capital gains) and will be deductible by the REIT in computing its income.

Taxation of Industrial Partnership

The fiscal period of Industrial Partnership is the calendar year. Industrial Partnership is expected to qualify as an "excluded subsidiary entity" at all relevant times and, as a result, will not be subject to tax under the Tax Act. Generally, each partner of Industrial Partnership, including the REIT, is required to include in computing the partner's income the partner's share of the income (or loss) of Industrial Partnership, for Industrial Partnership's fiscal year ending in, or coinciding with, the partner's taxation year end, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income (or loss) of Industrial Partnership will be computed for each fiscal period as if it were a separate person resident in Canada.

In computing the income or loss of Industrial Partnership, deductions may generally be claimed in respect of its administrative costs and other reasonable expenses incurred by it for the purpose of earning income, including available capital cost allowances. Certain properties have been acquired by Industrial Partnership on a tax deferred

basis, whereby the tax cost of these properties is less than their fair market value. For the purposes of claiming capital cost allowances, the undepreciated capital cost (“UCC”) of such property acquired by Industrial Partnership from the Transferors, will be equal to the UCC of the property to the Transferors immediately before the Acquisition and not the fair market value of the property. In addition, if one or more of such properties are disposed of, the gain recognized by Industrial Partnership for tax purposes will be in excess of that which it would have realized if it had acquired the properties at a tax cost equal to their fair market values.

The income or loss of Industrial Partnership for a fiscal period will be allocated to its partners on the basis of their respective share of such income or loss as provided in the limited partnership agreement of Industrial Partnership, subject to the detailed rules in the Tax Act. Generally, distributions to partners in excess of the income of Industrial Partnership for a fiscal period will result in a reduction of the adjusted cost base of the partner’s units in Industrial Partnership by the amount of such excess, as described above.

The U.S. subsidiaries will be “foreign affiliates” (“FAs”) and “controlled foreign affiliates” (“CFAs”) of Industrial Partnership for the purposes of the Tax Act.

It is expected that the income earned by the CFAs will constitute “foreign accrual property income” (“FAPI”) for purposes of the Tax Act. Any FAPI earned in a particular taxation year of a CFA must, to the extent of Industrial Partnership’s share of such FAPI, be included in computing the income of Industrial Partnership for the fiscal year of Industrial Partnership in which the taxation year of the CFA ends, subject to a deduction for grossed-up “foreign accrual tax” as computed in accordance with the Tax Act, whether or not Industrial Partnership actually receives a distribution of FAPI in that fiscal year. The adjusted cost base to Industrial Partnership LP of its shares in Dream Industrial US Holdings Inc. will be increased by the net amount so included in the income of Industrial Partnership. At such time as Industrial Partnership receives a dividend of amounts that were previously included in its income as FAPI, that dividend will effectively not be taxable to Industrial Partnership and there will be a corresponding reduction in the adjusted cost base to Industrial Partnership of its shares of Dream Industrial US Holdings Inc.

Counsel has been advised that it is expected that, in general, the FAPI (other than FAPI resulting from changes in foreign currency exchange rates), will be fully distributed by the CFAs at the time it is earned or received and will be allocated to the REIT, as income from property, in accordance with Industrial Partnership’s net income sharing ratio.

Taxation of Unitholders

Distributions on Units

A Unitholder is generally required to include in computing income for a particular taxation year the portion of the net income of the REIT for the taxation year of the REIT ending on or before the particular taxation year end of the Unitholder, including net taxable capital gains (determined for the purposes of the Tax Act), that is paid or payable, or deemed to be paid or payable, to the Unitholder in the particular taxation year, whether or not those amounts are received in cash, additional Units or otherwise.

The non-taxable portion of any net capital gains of the REIT that is paid or payable, or deemed to be paid or payable, to a Unitholder in a taxation year will not be included in computing the Unitholder’s income for the year. Any other amount in excess of the net income and net taxable capital gains of the REIT that is paid or payable, or deemed to be paid or payable, by the REIT to a Unitholder in a taxation year, including the further bonus distribution reinvested in Units under the DRIP, will not generally be included in the Unitholder’s income for the year. A Unitholder will be required to reduce the adjusted cost base of its Units by the portion of any amount (other than proceeds of disposition in respect of the redemption of Units and the non-taxable portion of net capital gains) paid or payable to such Unitholder that was not included in computing the Unitholder’s income and will realize a capital gain to the extent that the adjusted cost base of the Unitholder’s Units would otherwise be a negative amount.

Provided that appropriate designations are made by the REIT, such portions of the net taxable capital gains, taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations and foreign source income as are paid or payable, or deemed to be paid or payable, by the REIT to the Unitholders will effectively retain their character and be treated and taxed as such in the hands of the Unitholders for purposes of the Tax Act, and Unitholders may be entitled to claim a foreign tax credit for foreign taxes paid by the REIT. To the extent that amounts

are designated as having been paid to Unitholders out of the net taxable capital gains of the REIT, such designated amounts will be deemed for tax purposes to be received by Unitholders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains described below. To the extent that amounts are designated as having been paid to Unitholders out of taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations, they will be subject to the normal gross-up and dividend tax credit provisions in respect of Unitholders who are individuals, to the refundable tax under Part IV of the Tax Act in respect of Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), and to the deduction in computing taxable income in respect of Unitholders that are corporations. A Unitholder that is a Canadian-controlled private corporation (as defined in the Tax Act) throughout its taxation year may also be liable to pay an additional refundable tax on certain investment income, including taxable capital gains. Unitholders should consult their own tax advisors for advice with respect to the potential application of these provisions.

Certain taxable dividends received by individuals from a corporation resident in Canada will be eligible for the enhanced dividend tax credit to the extent certain conditions are met and designations are made, such as the dividend being sourced out of income that is subject to tax at the general corporate tax rate. This may apply to distributions made by the REIT to the Unitholders that have as their sources eligible dividends received from a corporation resident in Canada, to the extent the REIT makes the appropriate designation to have such eligible dividends deemed received by the Unitholder and provided that the corporate dividend payer makes the required designation to treat such taxable dividends as eligible dividends.

Dispositions of Units

On the disposition or deemed disposition of a Unit by a Unitholder, whether on redemption or otherwise, the Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Unitholder's adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the REIT that is otherwise required to be included in the Unitholder's income (such as an amount designated as payable by the REIT to a redeeming Unitholder out of capital gains or income of the REIT as described above).

For the purpose of determining the adjusted cost base to a Unitholder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that acquisition. The adjusted cost base of a Unit to a Unitholder will include all amounts paid by the Unitholder for the Unit, with certain adjustments. The cost to a Unitholder of Units received in lieu of a cash distribution of income of the REIT will be equal to the amount of such distribution that is satisfied by the issuance of such Units. The cost of Units acquired on the reinvestment of distributions under the DRIP will be the amount of such reinvestment. There will be no net increase or decrease in the aggregate adjusted cost base of all of a Unitholder's Units as a result of the receipt of the further bonus distribution reinvested in Units under the DRIP; however, the adjusted cost base per Unit will be reduced.

Where the redemption price for Units is paid and satisfied by way of a distribution *in specie* to the Unitholders of Subsidiary Securities, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the property so distributed less any income or capital gain realized by the REIT as a result of the redemption of those Units to the extent such income or capital gain is designated by the REIT to the redeeming Unitholder. Where income or capital gain realized by the REIT as a result of the redemption of Units has been so designated by the REIT, the Unitholder will be required to include in computing its income for tax purposes, the income and the taxable portion of the capital gain so designated. The cost of any Subsidiary Security distributed by the REIT to a Unitholder upon a redemption of Units will generally be equal to the fair market value of such Subsidiary Security at the time of distribution.

Taxation of Capital Gains

One-half of any capital gains realized by a Unitholder and the amount of any net taxable capital gains designated by the REIT in respect of a Unitholder will be included in the holder's income as a taxable capital gain. One-half of any capital loss realized by a holder on a disposition, or deemed disposition of a Unit, may generally be deducted only from taxable capital gains of the holder in the year of disposition, in the three preceding taxation years or in any subsequent taxation years, to the extent and under the circumstances described in the Tax Act.

Where a holder that is a corporation or a trust (other than a mutual fund trust) disposes of a Unit, the Unitholder's capital loss from the disposition will generally be reduced by the amount of any dividends received by the REIT previously designated by the REIT to the Unitholder, to the extent and under the circumstances prescribed in the Tax Act. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units.

Alternative Minimum Tax

In general terms, net income of the REIT, paid or payable, or deemed to be paid or payable, to a Unitholder who is an individual or trust (other than certain specified trusts), and that is designated as taxable dividends or as net taxable capital gains, and capital gains realized on the disposition of Units may increase the holder's liability for alternative minimum tax.

ELIGIBILITY FOR INVESTMENT

In the opinion of Counsel, based on representations of the REIT as to certain factual matters and subject to the qualifications and assumptions given under the heading "Certain Canadian Federal Income Tax Considerations", Units will be "qualified investments" under the Tax Act for Plans. If the REIT ceases to qualify as a "mutual fund trust" under the Tax Act and the Units cease to be listed on a designated stock exchange (which includes the TSX), the Units will not be qualified investments under the Tax Act for Plans. Subsidiary Securities received as a result of a redemption in specie of Units may not be qualified investments for Plans, and this could give rise to adverse consequences to such Plan or the holder of or the annuitant or beneficiary under that Plan. Accordingly, Plans that own Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

Notwithstanding the foregoing, a Unit that is held by a trust governed by a RRSP, RRIF, RESP, RDSP or TFSA (each, a "**Specified Plan**"), may nonetheless be a "prohibited investment" (as defined in section 207.01 of the Tax Act) for the Specified Plan, in which case, the holder, annuitant, or subscriber, as the case may be, of the Specified Plan may be subject to penalty taxes set out in the Tax Act. A Unit will generally not be a prohibited investment for a Specified Plan if the holder, annuitant, or subscriber, as the case may be, of the Specified Plan deals at arm's length with the REIT for purposes of the Tax Act and does not have a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the REIT. In addition, a Unit that is "excluded property" (as defined in section 207.01 of the Tax Act) will not be a prohibited investment for a Specified Plan. Holders, annuitants and subscribers of Specified Plans should consult with their own tax advisors in regard to the application of these rules to their particular circumstances.

PRIOR SALES

All information in this section is provided as of June 20, 2018.

During the 12-month period before the date of this prospectus supplement, the REIT has completed the following distributions of Units and securities that are convertible into Units.

On November 21, 2017, the REIT completed a bought deal offering of 9,890,000 Units at a price of \$8.75 per Unit for aggregate gross proceeds of \$86,537,500. The 9,890,000 Units included Units issued on closing as a result of the exercise by the underwriters of their over-allotment option. Concurrently with the closing of the offering, Dream Office LP purchased 2,858,000 Units from the REIT on a non-brokered private placement basis at a price of \$8.75 per Unit for gross proceeds of \$25,007,500, and an affiliate of PAULS Corp, LLC purchased 115,000 Units from the REIT on a non-brokered private placement basis at a price of \$8.75 per Unit for gross proceeds of \$1,006,250.

The REIT distributes Units on a monthly basis to existing Unitholders who elect to reinvest their monthly distributions in Units pursuant to the DRIP and DRIP-like arrangements provided for in the limited partnership agreement of Industrial Partnership. During the 12-month period prior to the date of this prospectus supplement, the REIT has issued 2,578,308 Units pursuant to the DRIP and such DRIP-like arrangements. Units distributed pursuant to the DRIP and such DRIP-like arrangements are issued at a price equal to the weighted average closing price of the Units on the TSX for the five trading days immediately preceding the relevant distribution payment date. Unitholders

who participate in the DRIP or such DRIP-like arrangements receive a “bonus” distribution with each reinvestment equal to 3.0% of the amount of the distribution reinvested in the form of additional Units.

The REIT also has a Deferred Unit Incentive Plan pursuant to which it grants Deferred Units to its trustees and senior officers and certain of its consultants and their respective employees. Units are issued to participants in the Deferred Unit Incentive Plan upon vesting of the Deferred Units, unless deferred in accordance with the terms of the Deferred Unit Incentive Plan. During the 12-month period before the date of this prospectus supplement, the REIT has issued 258,858 Units pursuant to the Deferred Unit Incentive Plan.

During the 12-month period prior to the date of this prospectus supplement, the REIT did not issue any Units upon the conversion of its outstanding 5.25% Debentures.

MARKET FOR SECURITIES

Trading Price and Volume

Our Units are listed on the TSX under the symbol “DIR.UN”. The following table sets forth the high and low reported trading prices and the trading volume of the Units on the TSX for each month of the 12-month period before the date of this prospectus supplement:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
June 2017.....	8.98	8.57	1,541,880
July 2017	9.15	8.54	1,857,419
August 2017	9.15	8.74	1,057,493
September 2017	9.20	8.90	1,886,713
October 2017	9.25	9.01	1,613,435
November 2017	9.10	8.70	4,603,952
December 2017.....	8.89	8.72	2,001,498
January 2018.....	9.49	8.79	3,859,909
February 2018.....	9.44	8.85	4,023,834
March 2018.....	9.60	9.16	4,669,960
April 2018	10.22	9.46	5,208,170
May 2018.....	10.96	10.05	4,306,057
Up to June 21, 2018.....	10.98	10.30	3,196,329

Our 5.25% Debentures are listed on the TSX under the symbol “DIR.DB”. The following table sets forth the high and low reported trading prices and the trading volume of the 5.25% Debentures on the TSX for each month of the 12-month period before the date of this prospectus supplement:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume (per \$1,000 principal amount)</u>
June 2017.....	103.01	100.00	5,540
July 2017.....	102.50	100.00	3,520
August 2017.....	101.75	100.10	6,480
September 2017.....	101.51	100.41	7,260
October 2017.....	102.26	101.15	4,135
November 2017.....	102.45	101.00	5,095
December 2017.....	102.00	100.45	6,130
January 2018.....	102.00	100.25	6,050
February 2018.....	101.00	99.00	7,560
March 2018.....	102.01	99.50	11,580
April 2018.....	102.35	100.10	5,020
May 2018.....	101.76	100.25	6,660
Up to June 21, 2018.....	101.50	100.50	5,400

RISK FACTORS

An investment in Units is subject to a number of risks, including those set forth in our 2017 AIF, in our 2017 MD&A, in this prospectus and in other documents incorporated by reference in this prospectus. Prospective investors should carefully consider these risks before purchasing Units.

There can be no assurance that any acquisitions will be completed in whole or in part and dilution of net income on a per Unit basis may occur

This offering is not conditional on the closing of the acquisition of the assets referred to in “Recent Developments”. Although we are currently in advanced and exclusive negotiations on the acquisition of those assets and have entered into a conditional purchase agreement in respect of the asset in Ontario, we do not currently have an agreement to purchase the assets in the Midwestern United States referred to in “Recent Developments”. There can be no assurance that any of our due diligence and negotiations with respect to the assets referred to in “Recent Developments” will result in a definitive agreement (or, in the case of the asset in Ontario, the waiver of our due diligence condition) or as to what the terms or timing of any acquisition of those assets would be. In the event that one or more of those acquisitions do not close, the applicable portion of the net proceeds from this offering may be used to partially fund the redemption of our outstanding 5.25% Debentures and for general trust purposes. While the net proceeds to the REIT of this offering are expected to be applied towards the uses specified in “Use of Proceeds”, to the extent that any of the net proceeds of this offering remain uninvested pending their use, or are used to pay down indebtedness with a low interest rate, this offering may result in substantial dilution, on a per Unit basis, to our net income and other measures used by us.

LEGAL MATTERS

Certain legal matters in connection with the Units offered hereby will be passed upon for us by Osler, Hoskin & Harcourt LLP, with respect to securities and other matters, PwC Law LLP, a law firm affiliated with PricewaterhouseCoopers LLP, with respect to certain tax matters, and for the Underwriters by Torys LLP.

As of the date hereof, the partners and associates of Osler, Hoskin & Harcourt LLP, as a group, PwC Law LLP, as a group, and Torys LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of the REIT or its Affiliates and associates.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, located in Toronto, Ontario, and such auditors are independent in accordance with the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

The transfer agent and registrar of the Units is Computershare Trust Company of Canada at its principal offices in Toronto, Ontario.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of this prospectus and any amendment thereto. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AGENT FOR SERVICE OF PROCESS IN CANADA

Brian Pauls, our Chief Executive Officer and a trustee of the REIT, resides outside of Canada. Mr. Pauls has appointed Dream Industrial Real Estate Investment Trust, 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1, Canada, as agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

GLOSSARY OF TERMS

When used in this prospectus supplement, the following terms have the meanings set forth below unless expressly indicated otherwise.

“**1933 Act**” has the meaning given to that term on the cover page of this prospectus supplement;

“**2017 AIF**” has the meaning given to that term under “Documents Incorporated by Reference”;

“**2017 MD&A**” has the meaning given to that term under “Documents Incorporated by Reference”;

“**5.25% Debentures**” means the 5.25% convertible unsecured subordinated debentures of the REIT due December 31, 2019;

“**Affiliate**” has the meaning given to that term in NI 45-106;

“**annuitant**” means any plan of which a holder of Units acts as a trustee or a carrier;

“**associate**” has the meaning given to that term in the *Securities Act* (Ontario);

“**Board of Trustees**” means the board of trustees of the REIT;

“**business day**” means any day, other than a Saturday, Sunday or statutory holiday, on which Canadian chartered banks are generally open in the City of Toronto in the Province of Ontario for the transaction of banking business;

“**capital gains refund**” has the meaning given to that term under “Certain Canadian Federal Income Tax Considerations – Taxation of the REIT”;

“**CDS**” has the meaning given to that term on the cover page of this prospectus supplement;

“**CFA**” has the meaning given to that term under “Certain Canadian Federal Income Tax Considerations – Taxation of Industrial Partnership”;

“**Counsel**” has the meaning given to that term under “Certain Canadian Federal Income Tax Considerations”;

“**CRA**” means the Canada Revenue Agency;

“**Declaration of Trust**” means the amended and restated declaration of trust of the REIT dated May 5, 2014, as amended or amended and restated from time to time;

“**Deferred Unit Incentive Plan**” means the deferred unit incentive plan of the REIT;

“**Deferred Units**” means the deferred trust units and income deferred trust units under the Deferred Unit Incentive Plan;

“**Dream**” has the meaning given to that term under “The REIT”;

“**DRIP**” means our distribution reinvestment and unit purchase plan pursuant to which holders of Units are entitled to elect to have cash distributions in respect of such Units automatically reinvested in additional Units and to make optional cash purchases of additional Units;

“**FA**” has the meaning given to that term under “Certain Canadian Federal Income Tax Considerations – Taxation of Industrial Partnership”;

“**FAPI**” has the meaning given to that term under “Certain Canadian Federal Income Tax Considerations – Taxation of Industrial Partnership”;

“**GLA**” has the meaning given to that term under “The REIT”;

“**Industrial Partnership**” means Dream Industrial LP, a limited partnership established under the laws of the Province of Ontario of which Dream Industrial (GP) Inc. is the general partner;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

“**Notes**” means the promissory notes, bonds, debentures, debt securities or similar evidences of indebtedness issued by an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law;

“**Over-Allotment Option**” has the meaning given to that term on the cover page of this prospectus supplement;

“**Plans**” means collectively, trusts governed by RRSPs, RRIFs, deferred profit sharing plans, RDSPs, TFSAs and RESPs under the Tax Act;

“**prospectus**” has the meaning given to that term on the cover page of this prospectus supplement;

“**RDSP**” means a registered disability savings plan;

“**REIT**” has the meaning given to that term on the cover page of this prospectus supplement;

“**REIT Exception**” has the meaning given to that term under “Certain Canadian Federal Income Tax Considerations – Status of the REIT – Qualification as a “Real Estate Investment Trust” – REIT Exception”;

“**REIT Units**” means, collectively, the Units and the Special Trust Units;

“**RESP**” means a registered education savings plan;

“**RRIF**” means a registered retirement income fund;

“**RRSP**” means a registered retirement savings plan;

“**Rule 144A**” has the meaning given to that term under “Plan of Distribution”;

“**SIFT**” means a specified investment flow-through trust or partnership for purposes of the Tax Act;

“**SIFT Legislation**” means the provisions of the Tax Act that apply to a SIFT;

“**Special Trust Units**” means units of interest in the REIT (other than Units) authorized and issued under the Declaration of Trust to a holder of securities which are exchangeable for Units;

“**subsidiary**” means a “subsidiary” as that term is defined in NI 45-106;

“**Subsidiary Securities**” means the Notes or other securities of Dream Industrial LP or the notes or other securities of a subsidiary of Dream Industrial LP as our board of trustees may determine from time to time;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time, and the *Income Tax Regulations* (Canada), as amended from time to time, as applicable;

“**Tax Proposals**” has the meaning given to that term under “Certain Canadian Federal Income Tax Considerations”;

“**taxable capital gain**” has the meaning given to that term under “Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Losses”;

“**Term Sheet**” has the meaning given to that term under “Documents Incorporated by Reference”;

“**TFSA**” means a tax-free savings account;

“**TSX**” means the Toronto Stock Exchange;

“**UCC**” has the meaning given to that term under “Certain Canadian Federal Income Tax Considerations – Taxation of Industrial Partnership”;

“**UMIR**” has the meaning given to that term under “Plan of Distribution”;

“**Underwriters**” has the meaning given to that term on the cover page of this prospectus supplement;

“**Underwriting Agreement**” means the underwriting agreement dated June 22, 2018 between the REIT and the Underwriters;

“**Unit**” has the meaning given to that term on the cover page of this prospectus supplement;

“**United States**” or “**U.S.**” means the United States of America, its territories, its possessions, any state of the United States and the District of Columbia; and

“**Unitholders**” means holders of Units, but “unitholders”, when used in lower case type, refers to all holders of REIT Units.

CERTIFICATE OF THE UNDERWRITERS

Dated: June 22, 2018.

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

TD SECURITIES INC.

By: (Signed) ARMEN FARIAN

CIBC WORLD MARKETS INC.

By: (Signed) MARK G. JOHNSON

SCOTIA CAPITAL INC.

By: (Signed) CHARLES VINEBERG

RBC DOMINION SECURITIES INC.

By: (Signed) DAVID SWITZER

BMO NESBITT BURNS INC.

By: (Signed) ONORIO LUCCHESI

CANACCORD GENUITY CORP.

By: (Signed) DAN SHEREMETO

NATIONAL BANK FINANCIAL INC.

By: (Signed) ANDREW WALLACE

DESJARDINS SECURITIES INC.

By: (Signed) MARK EDWARDS

ECHOLON WEALTH PARTNERS INC.

By: (Signed) ROB SUTHERLAND

GMP SECURITIES L.P.

By: (Signed) PAUL BISSETT

INDUSTRIAL ALLIANCE SECURITIES INC.

By: (Signed) DENNIS KUNDE

dream 
industrial REIT