



# ALLIED



## **RIOCAN, ALLIED AND DIAMONDCORP TO SELL RESIDENTIAL COMPONENT OF THE WELL TO TRIDEL AND WOODBOURNE**

**Toronto, July 26, 2016** -- RioCan REIT (TSX:REI.UN), Allied Properties REIT (TSX:AP.UN) and Diamondcorp (collectively, "The Well JV") today announced that they have entered into a binding agreement to sell the residential component of The Well to Tridel Builders Inc. and Woodbourne Canada Partners III (CA) LP for approximately \$180 million, subject to certain closing conditions.

The Well JV acquired 7.67 acres on the northwest corner of Front Street West and Spadina Avenue (the "Site") in late 2012 and early 2013 for a purchase price of \$170 million. The Well JV has received Official Plan approval for over three million square feet of mixed-use density on the Site. The City's Design Review Panel has referred to the proposal as enlightened urbanism. Approximately 1.43 million square feet of the density is currently expected to be residential which will include a mix of both condominium and rental apartments. RioCan will remain a 50% co-owner of one of the rental buildings representing approximately 400,000 square feet of residential rental density. The remainder of the site is being divided between office and retail density in a ratio of approximately two to one, which is intended to be retained by The Well JV. As one of the few remaining developable sites in Downtown Toronto, the strong locational attributes of The Well will be further enhanced by the recent announcement from the Province of Ontario to locate a future transit stop adjacent to the site.

The current buildings on the Site are occupied by tenants expected to vacate on or before the end of 2016. The Well JV is working toward pre-leasing a significant portion of the office component of The Well and is optimistic that a lead tenant will be secured in the near term. The Well JV intends to initiate the development in early 2017, which will involve excavation of the Site and construction of the entire underground parking and loading structure. Tridel and Woodbourne will participate in this and other phases of the construction and pay for their share of the underground parking spaces required for the residential component of The Well in accordance with an agreed formula. With the addition of the residential partners, the intention is to complete the entire development during one continuous construction period rather than a phased in approach.

The sale is scheduled to close upon requisite land severances being granted and upon completion of the underground parking structure and building podiums. This is estimated to occur in early 2020.

"We are very pleased to partner with Tridel and Woodbourne. They bring with them to The Well a tremendous amount of experience and expertise developing high rise residential," said Edward Sonshine, CEO of RioCan. "This is an excellent transaction for our development group which will greatly assist in managing the development risk of a project of this magnitude, and will allow the consortium to fully develop The Well in a single phased development. We are excited to combine the office and residential components with a unique, destination retail offering that will be integrated into the community."

"This is a solid step forward in the execution of one of the largest and most important intensification projects in Downtown Toronto," said Michael Emory, President & CEO of Allied. "In addition to reducing the risk and enhancing the potential return for the initial co-owners, it brings the expertise necessary to initiate construction of the entire project within the timeframe originally contemplated and to ensure that the office, retail and residential uses compliment one and other as fully as possible."

"We are pleased that we are able to partner with companies of the caliber of Tridel and Woodbourne. They have embraced our vision for the site, which has been developed through extensive collaboration with the local community and the City's Planning Department," said Stephen Diamond, President & CEO of Diamondcorp.

#### **Cautionary Statements - Allied Properties REIT**

This press release may contain forward-looking statements with respect to Allied, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Allied discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risk Factors" in Allied's Annual Information Form, which is available at [www.sedar.com](http://www.sedar.com). These cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on Allied's behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the parties have no obligation to update such statements.

#### **Cautionary Statements - RioCan REIT**

This news release contains forward-looking information within the meaning of applicable Canadian securities laws. This information includes, but is not limited to, statements made with respect to RioCan's development program and other statements concerning RioCan's objectives, its

strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. All forward-looking information in this News Release is qualified by these cautionary statements.

Forward-looking information is not a guarantee of future events or performance and, by its nature, is based on RioCan's current estimates and assumptions, which are subject to numerous risks and uncertainties, including those described under "Risks and Uncertainties" in RioCan's Management's Discussion and Analysis ("MD&A") for the period ended March 31, 2016, the Trust's most recent Annual Report and Annual Information Form, which could cause actual events or results to differ materially from the forward-looking information contained in this News Release. Those risks and uncertainties include, but are not limited to, those related to: liquidity and general market conditions; tenant concentrations and related risk of bankruptcy or restructuring (and the terms of any bankruptcy or restructuring proceeding), defaults, including the failure to fulfill contractual obligations by the tenant or a related party thereof; retailer competition; access to debt and equity capital; interest rate and financing risk; joint ventures and partnerships; the relative illiquidity of real property; development risk associated with construction commitments, project costs and related approvals; environmental matters; and property management. Although the forward looking information contained in this News Release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this News Release may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this News Release.

The Income Tax Act (Canada) contains provisions which potentially impose tax on publicly traded trusts (the SIFT Provisions). However, the SIFT Provisions do not impose tax on a publicly traded trust which qualifies as a REIT. RioCan currently qualifies as a real estate investment trust for Canadian tax purposes and intends to qualify for future years. Should this not occur, certain statements contained in this News Release may need to be modified.

Except as required by applicable law, RioCan undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

#### **About Allied**

Allied Properties REIT is a leading owner, manager and developer of urban office environments that enrich experience and enhance profitability for business tenants operating in Canada's major cities. Its objectives are to provide stable and growing cash distributions to unitholders and to maximize unitholder value through effective management and accretive portfolio growth.

#### **About RioCan**

RioCan is Canada's largest real estate investment trust with a total enterprise value of approximately \$16 billion as at March 31, 2016. RioCan owns and manages Canada's largest portfolio of shopping centres with ownership interests in a portfolio of 303 Canadian retail and mixed use properties, including 16 properties under development, containing an aggregate net leasable area of 46 million square feet. For further information, please refer to RioCan's website at [www.riocan.com](http://www.riocan.com).

#### **About Diamondcorp**

Diamond Corp. is a Toronto real estate development company with a strong commitment to developing high quality, innovative and award-winning residential and mixed-use projects. Diamond Corp. is committed to progressive city building rooted in a legacy and tradition of quality and innovation.

#### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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