

This prospectus supplement, together with the short form base shelf prospectus to which it relates dated August 10, 2016, constitutes an 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. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any state securities laws. Accordingly, the securities may not be offered or sold in the United States of America except in transactions which are exempt from the registration requirements of the 1933 Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States of America. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus supplement 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 the issuer at 910 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, telephone (604) 681-5959 and are also available electronically at www.sedar.com.

New Issue

July 27, 2017

PROSPECTUS SUPPLEMENT
To The Short Form Base Shelf Prospectus Dated August 10, 2016



\$200,000,000
31,250,000 Units

Price: \$6.40 Per Unit

This prospectus supplement (“**Prospectus Supplement**”) and the accompanying short form base shelf prospectus dated August 10, 2016 (the “**Short Form Prospectus**”, collectively with the Prospectus Supplement, the “**Prospectus**”) qualifies the distribution of 31,250,000 units (“**Units**”) of Pure Industrial Real Estate Trust (“**PIRET**” or the “**Trust**”) at a price of \$6.40 per Unit for aggregate gross proceeds to PIRET of \$200,000,000 (the “**Offering**”). PIRET is an unincorporated, open-ended real estate investment trust created by the Trust Declaration (as defined herein) and governed by the laws of British Columbia. PIRET’s head office and mailing address is 910 – 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

The Units are listed on the Toronto Stock Exchange (the “**TSX**”) under the trading symbol “**AAR.UN**”. On July 25, 2017, the trading day on which the announcement of the Offering was made, the closing price of the Units on the TSX was \$6.66 per Unit. The TSX has conditionally approved the listing of the Units distributed under this Offering. Listing will be subject to PIRET fulfilling all of the listing requirements of the TSX.

| | Price to the Public⁽¹⁾ | Underwriters’ Fee⁽²⁾ | Net Proceeds to the Trust⁽³⁾⁽⁴⁾ |
|---------------|--|--|---|
| Per Unit..... | \$6.40 | \$0.256 | \$6.144 |
| Total..... | \$200,000,000 | \$8,000,000 | \$192,000,000 |

Notes:

(1) The price of the Units offered hereunder was established by negotiation between PIRET and BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc. (collectively, the “**Co-Lead Underwriters**”), on their own behalf and on behalf of CIBC World Markets Inc., Scotia Capital Inc., National Bank Financial Inc., Canaccord Genuity Corp., Desjardins Securities Inc., TD Securities Inc., Raymond James Ltd., GMP Securities L.P., Eight Capital and Industrial Alliance Securities Inc. (collectively with the Co-Lead Underwriters, the “**Underwriters**”).

- (2) Fees will be paid to the Underwriters at a rate equal to 4.0% of the gross proceeds of the Offering. See “Plan of Distribution”.
- (3) After deducting the Underwriters’ fee, but before deducting expenses of the Offering estimated at \$500,000, which will be paid from the proceeds of the Offering.
- (4) PIRET has granted to the Underwriters an over-allotment option (the “**Over-Allotment Option**”), exercisable in whole or in part, at the discretion of the Underwriters, for a period of 30 days from the closing of the Offering to purchase up to an additional 4,687,500 Units on the same terms and conditions as set forth above to cover over-allotments, if any, and for market stabilization purposes (for greater clarity, a maximum of 15% of the number of Units sold at Closing (defined below) may be issued pursuant to the Over-Allotment Option). In respect of the Over-Allotment Option, the Trust will pay to the Underwriters a fee equal to 4.0% of the gross proceeds realized on the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the total number of Units sold pursuant to the Offering will be 35,937,500 Units; the total price to the public will be \$230,000,000, the total Underwriters’ fee will be \$9,200,000 and the net proceeds to the Trust, before deducting the estimated expenses of the Offering, will be \$220,800,000. A purchaser who acquires securities forming part of the Underwriters’ over-allocation position acquires those securities 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. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable upon the exercise of the Over-Allotment Option. See “Plan of Distribution”.

| <u>Underwriters’ Position</u> | <u>Maximum Size or Number of Securities Held</u> | <u>Exercise Period</u> | <u>Exercise Price</u> |
|-------------------------------|--|--|-----------------------|
| Over-Allotment Option | 4,687,500 Units | Up to 30 days after the Closing Date (defined below) | \$6.40 per Unit |

The Underwriters, as principals, conditionally offer the Units, subject to prior sale if, as and when issued and delivered by PIRET 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 by Clark Wilson LLP on behalf of PIRET and McMillan LLP on behalf of the Underwriters. In connection with this Offering, the Underwriters may engage in transactions that stabilize or maintain the market price of the Units at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may also decrease the price at which the Units are distributed for cash from the price disclosed in this Prospectus.** See “Plan of Distribution”.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Units will be delivered under the book based system through CDS Clearing and Depository Services Inc. (“CDS”) or its nominee and deposited in electronic form with CDS on the closing (the “**Closing**”) of the Offering. The Closing is expected to occur on August 3, 2017, or such other date as PIRET and the Underwriters may agree, but in any event no later than August 10, 2017 (the “**Closing Date**”).

A return on an investment in Units is not comparable to the return on an investment in a fixed income security. Although PIRET intends to make regular distributions of its available cash to holders of Units (the “Unitholders”), such distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors, including PIRET’s financial performance, the financial performance of PIRET’s tenants, debt covenants and obligations, interest rates, the U.S. dollar foreign exchange rate relative to the Canadian dollar, the occupancy rates of PIRET’s properties, working capital requirements, future capital requirements and PIRET’s ability to complete its proposed acquisitions. The market value of the Units may deteriorate if PIRET reduces its cash distributions in the future and that deterioration may be material. See “Risk Factors”.

An investment in the Units involves risk. It is important for a person making an investment in Units to consider the particular risk factors that may affect both PIRET and the real estate industry in which PIRET operates and which may therefore affect the stability of the cash distributions on the Units. See “Risk Factors” and “Forward-Looking Information” for a discussion of factors that should be considered by prospective investors and their advisors in assessing the appropriateness of an investment in the Units.

The after-tax return from an investment in Units to Unitholders subject to Canadian income tax will depend, in part, on the composition of distributions paid in respect of Units, which may be fully or partially taxable or tax deferred. Subject to the SIFT Measures (as defined herein), returns on capital are generally taxed as ordinary income, capital gains or as dividends in the hands of a Unitholder. Returns of capital are generally tax-deferred (and reduce the

Unitholder's cost base in the Unit for tax purposes). See "Canadian Federal Income Tax Considerations – Taxation of Unitholders".

PIRET is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to 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.

PIRET may be considered to be a connected issuer of: (i) BMO Nesbitt Burns Inc. ("BMO"), due to affiliates of BMO being the mortgagees of the mortgages on certain of PIRET's properties; (ii) RBC Dominion Securities Inc. ("RBC"), due to affiliates of RBC: (A) being the mortgagees of the mortgages of certain of PIRET's properties, and (B) having established an unsecured operating loan for PIRET; (iii) CIBC World Markets Inc. ("CIBC"), due to affiliates of CIBC being the mortgagees of the mortgages of certain of PIRET's properties; (iv) National Bank Financial Inc. ("National Bank"), due to affiliates of National Bank having established an unsecured operating loan for PIRET; and (v) TD Securities Inc. ("TD"), due to affiliates of TD being the mortgagees of the mortgages of certain of PIRET's properties. As at June 30, 2017, the outstanding principal balance under: (i) the mortgages due to affiliates of BMO was \$90,986,190; (ii) the mortgages due to affiliates of RBC was \$44,216,459; (iii) the operating loan due to affiliates of National Bank and RBC was \$nil; (iv) the mortgages due to affiliates of CIBC was \$50,171,676; and (v) the mortgages due to affiliates of TD was \$68,855,751. See "Plan of Distribution – Connected Issuer".

Prospective investors should rely only on the information contained in this Prospectus Supplement and the Short Form Prospectus or in documents incorporated by reference into this Prospectus Supplement and the Short Form Prospectus. PIRET has not authorized anyone to provide any information or to make any representation other than as contained in this Prospectus Supplement and the Short Form Prospectus in connection with the issue and sale of the securities offered hereunder.

TABLE OF CONTENTS

| | |
|---|------|
| GLOSSARY OF DEFINED TERMS | G-1 |
| ABOUT THIS PROSPECTUS SUPPLEMENT | i |
| DOCUMENTS INCORPORATED BY REFERENCE | i |
| MARKETING MATERIALS | ii |
| ELIGIBILITY FOR INVESTMENT..... | ii |
| FORWARD-LOOKING INFORMATION | iii |
| CASH DISTRIBUTIONS | iii |
| PURE INDUSTRIAL REAL ESTATE TRUST | S-1 |
| DESCRIPTION OF THE BUSINESS..... | S-1 |
| RECENT DEVELOPMENTS | S-1 |
| USE OF PROCEEDS | S-4 |
| CONSOLIDATED CAPITALIZATION | S-4 |
| PLAN OF DISTRIBUTION..... | S-5 |
| PRIOR SALES | S-7 |
| DEBT AND CURRENCY STRATEGY..... | S-9 |
| CANADIAN FEDERAL INCOME TAX CONSIDERATIONS..... | S-9 |
| RISK FACTORS | S-17 |
| LEGAL PROCEEDINGS..... | S-18 |
| AUDITORS..... | S-18 |
| REGISTRAR AND TRANSFER AGENT..... | S-18 |
| MATERIAL CONTRACTS | S-18 |
| EXPERTS..... | S-18 |
| PURCHASERS' STATUTORY RIGHTS | S-19 |
| CERTIFICATE OF THE UNDERWRITERS..... | C-1 |

GLOSSARY OF TERMS

Certain terms used in this Prospectus Supplement have the meanings set out below. Capitalized terms which are not defined in this Prospectus have the meanings given to them in PIRET's 2016 AIF.

"April 2017 Offering" means PIRET's bought deal public offering completed on April 5, 2017 of 23,977,500 Units, inclusive of 3,127,500 Units issued pursuant to the exercise in full of the over-allotment option, at a price of \$6.00 per Unit for gross proceeds of \$143,865,000;

"CDS" means the CDS Clearing and Depository Services Inc.;

"CDS Participant" means a registered securities dealer which maintains a book record of Units held by CDS on behalf of a Unitholder;

"Class B Unit" means a Class B Unit of beneficial interest in PIRET, issued pursuant to the terms of the Trust Declaration;

"Closing Date" means August 3, 2017, or such other date as PIRET and the Underwriters may agree, but in any event no later than August 10, 2017;

"Co-Lead Underwriters" means BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc.;

"Debt Securities" means debt securities of any subsidiary of PIRET that may be created and issued from time to time;

"GLA" means gross leasable area;

"GTA" means the Greater Toronto Area;

"Gross Book Value" means book value of the assets of the Trust and its subsidiaries plus the amount of accumulated depreciation and amortization in respect of such assets (and related intangible assets), if applicable, the amount of future income tax liability arising out of indirect acquisitions and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Trust;

"IFRS" means International Financial Reporting Standards as issued by the International Accounting Standards Board, and which has been prescribed as being Canadian generally accepted accounting principles for publicly accountable enterprises by the Accounting Standards Board of The Canadian Institute of Chartered Professional Accountants for fiscal years beginning on or after January 1, 2011, as amended from time to time;

"Indebtedness" means any obligation of the Trust for borrowed money (including the face amount outstanding under any convertible debentures and any outstanding liabilities of the Trust arising from the issuance of subordinated notes but excluding any premium in respect of indebtedness assumed by the Trust for which the Trust has the benefit of an interest rate subsidy), but excludes trade accounts payable, distributions payable to unitholders, accrued liabilities arising in the ordinary course of business, unit based compensation liabilities, deferred tax liabilities and short-term acquisition credit facilities;

"Indebtedness Ratio" means the ratio between the Trust's Indebtedness and the Gross Book Value of the assets of the Trust;

"Marketing Materials" has the meaning ascribed thereto under "Documents Incorporated by Reference";

"Offering" means the offering of 31,250,000 Units at the Offering Price pursuant to the Prospectus;

"Offering Price" means \$6.40 per Unit;

"PIRET's 2016 AIF" means PIRET's annual information form dated March 8, 2017, for the financial year ended December 31, 2016;

“**PIRET Canada**” means PIRET Holdings (Canada) Ltd.;

“**PIRET Canada Note**” means the notes issued by PIRET Canada to PIRET;

“**PIRET U.S.**” means collectively, PIRET USA Inc. and its subsidiary U.S. limited liability companies;

“**PIRET U.S. Note**” means, collectively, the notes issued by PIRET U.S. to PIRET;

“**Plans**” means trusts governed by registered retirement savings plans, deferred profit sharing plans, registered education savings plans, registered retirement income funds, tax-free savings accounts and registered disability savings plans, and a “**Plan**” means any one of them;

“**REIT**” means real estate investment trust;

“**SIFT Measures**” means the provisions of the Tax Act, including sections 104, 122, and 122.1 thereof, which levy a tax on certain distributions of a SIFT trust (as defined in the Tax Act) and, in such circumstances, treats the beneficiaries of a SIFT trust as having received a taxable dividend from a taxable Canadian corporation in respect of such distributions from a SIFT trust;

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

“**Trust Declaration**” means the declaration of trust dated as of June 24, 2007, as amended November 18, 2010, as amended and restated May 28, 2015 and as amended and restated May 10, 2017, governed by the laws of the Province of British Columbia, pursuant to which the Trust was created, as the same may be amended, supplemented or varied from time to time;

“**Trust Notes**” means notes of PIRET issued that are subordinated and unsecured, have a maturity of three years or less, are payable at any time at PIRET’s option prior to maturity, and pay an annual rate of interest equal to the Canada Three-Year Yield, payable monthly in arrears;

“**Trust Unit**” means a Unit or a Class B Unit;

“**Trust Unitholder**” means a holder of record of any Unit or Class B Unit;

“**Trustee**” means a trustee of PIRET;

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

“**Underwriters**” means BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., National Bank Financial Inc., Canaccord Genuity Corp., Desjardins Securities Inc., TD Securities Inc., Raymond James Ltd., GMP Securities L.P., Eight Capital and Industrial Alliance Securities Inc.;

“**Underwriting Agreement**” means the underwriting agreement dated July 27, 2017 between PIRET and the Underwriters;

“**Unit**” means a Class A unit of beneficial interest in PIRET (other than a Class B Unit), issued pursuant to the terms of the Trust Declaration; and

“**Unitholder**” means a holder of a Unit.

ABOUT THIS PROSPECTUS SUPPLEMENT

In this Prospectus Supplement, unless otherwise specified, all references to “dollars” or “\$” are to Canadian dollars.

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Units that PIRET is offering and also adds to and updates certain information contained in the Short Form Prospectus and the documents incorporated by reference into this Prospectus Supplement or the Short Form Prospectus. The second part, the Short Form Prospectus, gives more general information.

Readers should rely only on the information contained in this Prospectus Supplement and the Short Form Prospectus or in documents incorporated by reference into this Prospectus Supplement and the Short Form Prospectus. PIRET and the Underwriters have not authorized any other person to provide prospective investors with different information and any such information should not be relied upon. PIRET and the Underwriters are not making an offer to sell the Units in any jurisdiction where the offer or sale is not permitted. Readers should assume that the information appearing in this Prospectus Supplement and the Short Form Prospectus, as well as information PIRET has previously filed with the securities regulatory authority in each of the provinces and territories of Canada that is incorporated by reference into this Prospectus Supplement and the Short Form Prospectus is accurate as of their respective dates only. The business, financial condition, results of operations and prospects of PIRET may have changed since the date of this Prospectus Supplement.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documentation incorporated herein by reference may be obtained on request without charge from PIRET at 910 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, telephone (604) 681-5959 and are also available electronically at www.sedar.com.

This Prospectus Supplement is incorporated by reference into the Short Form Prospectus as of the date hereof and only for the purposes of the distribution of the Units offered hereunder.

Except to the extent that their contents are modified or superseded by a statement contained in this Prospectus Supplement or in any other subsequently filed document that is also incorporated by reference in this Prospectus Supplement, the following documents, filed with the applicable securities regulatory authorities in Canada, are specifically incorporated by reference herein and form an integral part of the Prospectus Supplement:

- (a) PIRET’s 2016 AIF;
- (b) PIRET’s audited financial statements for the years ended December 31, 2016 and 2015, and the auditors’ report thereon;
- (c) PIRET’s management’s discussion and analysis of its financial position and results of operations for the years ended December 31, 2016 and 2015;
- (d) PIRET’s unaudited condensed consolidated interim financial statements for the three months ended March 31, 2017 and 2016;
- (e) PIRET’s management’s discussion and analysis of results of operations and financial condition for the three months ended March 31, 2017, dated May 9, 2017;
- (f) PIRET’s management information circular dated March 31, 2017 in respect of the annual and special meeting of Unitholders held on May 10, 2017;
- (g) PIRET’s material change report dated April 10, 2017 in respect of the April 2017 Offering; and

- (h) the term sheet dated July 25, 2017, filed on SEDAR in connection with the Offering (the “**Marketing Materials**”).

All of PIRET’s documents of the type described in Section 11.1 of Form 44-101F1 – Short Form Prospectus which are filed by PIRET with a securities commission or similar regulatory authority in any of the provinces or territories 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 this Prospectus Supplement. Additionally, any template version of the Marketing Materials filed after the date of this Prospectus Supplement and before the termination of the Offering is deemed to be incorporated into this Prospectus Supplement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this Prospectus, to the extent that a statement contained herein, or in any other subsequently filed document that is also incorporated or is deemed to be incorporated by reference herein, modifies or supersedes that 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 an omission to state a material fact that is 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 not be deemed in its unmodified or un-superseded form to constitute part of this Prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this Prospectus Supplement to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus Supplement. Any template version of “marketing materials” (as defined in National Instrument 41-101 - *General Prospectus Requirements*) filed after the date of this Prospectus Supplement and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated into this Prospectus Supplement.

ELIGIBILITY FOR INVESTMENT

In the view of KPMG LLP, tax advisors to PIRET, and McMillan LLP, counsel to the Underwriters, provided that at a particular time PIRET qualifies as a mutual fund trust within the meaning of the Tax Act, or the Units are listed on the TSX (or other designated stock exchange within the meaning of the Tax Act), the Units will be qualified investments under the Tax Act and the regulations under the Tax Act at that time for trusts governed by Plans. Trust Notes that may be issued by PIRET to Unitholders in connection with a redemption may also be qualified investments at a particular time provided that at that time PIRET is a mutual fund trust within the meaning of the Tax Act and the Units are listed on the TSX (or other designated stock exchange in Canada). Debt Securities that may be issued by PIRET to Unitholders in connection with a redemption of Units will generally not be qualified investments for Plans. Plans that propose to invest in Units should consult their own tax advisors before deciding to exercise redemption rights.

The holder of a tax-free savings account (“**TFSA**”) or the annuitant of a registered retirement savings plan (“**RRSP**”) or registered retirement income fund (“**RRIF**”) that governs a trust which acquires or holds Units will be subject to a penalty tax if the Units constitute a “prohibited investment” (within the meaning of the Tax Act) for the trust. A Unit will not be a prohibited investment for a trust governed by a RRSP, RRIF or TFSA provided that the holder or annuitant, as the case may be, of such Plan deals at arm’s length with PIRET for purposes of the Tax Act and does not have a “significant interest” (within the meaning of the Tax Act) in PIRET. Generally, a holder or annuitant will have a significant interest in PIRET if the holder or annuitant, together with persons not dealing at arm’s length with the holder or annuitant, own 10% or more of the fair market value of the outstanding Trust Units. In addition, Units will not be a “prohibited investment” if the Units are “excluded property” as defined in the Tax Act. If certain Proposed Amendments to the Tax Act released by the Minister of Finance on March 22, 2017 are enacted as proposed, the prohibited investment rules will extend to trusts governed by registered disability savings plans and registered education savings plans.

Prospective purchasers who intend to hold Units in a Plan should consult their own tax advisors regarding the application of the prohibited investment rules in the Tax Act having regard to their particular circumstances. See “Canadian Federal Income Tax Considerations”.

FORWARD-LOOKING INFORMATION

This Prospectus Supplement includes forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) with respect to PIRET, including without limitation, statements regarding its proposed acquisitions, projected costs, business operations and strategy, and financial performance and condition. These statements generally can be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe” or “continue”, or the negative thereof, or similar variations. Although PIRET’s management believes that the expectations reflected in such forward-looking statements are reasonable and represent PIRET’s internal projections, expectations and belief at this time, such statements involve known and unknown risks and uncertainties which may cause the actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements and should not be read as guarantees of future performance or results. Those risks and uncertainties include, among other things, risks related to: public market risk, market price of the Units; liquidity; credit risk and tenant concentration; exchange rate risk; interest rate and other debt-related risk; tax risk; ability to access capital markets; lease rollover risk; competition; environmental matters; changes in legislation; and indebtedness of PIRET. Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions and information currently available, which include, management’s current expectations, estimates and assumptions that: property acquisition and disposition prospects and opportunities will be consistent with PIRET’s experience over the past 12 months, the industrial real estate market in Canada and the U.S. will remain stable, the global economic environment will remain stable, interest rates will remain at current levels, exchange rates will fluctuate consistent with historical trends; and PIRET’s business strategy, plans, outlook, projections, targets and operating costs will be consistent with PIRET’s experience over the past 12 months; however, management can give no assurance that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ materially from such expectations include, among other things, the availability of suitable properties for purchase by PIRET, the availability of mortgage financing for such properties, and general economic and market factors, including interest rates, exchange rates, business competition, changes in government regulations or in tax laws, and the projections included in management’s financial forecast, in addition to those factors discussed or referenced in “Risk Factors”.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Prospectus Supplement are made as of the date of this Prospectus Supplement and PIRET does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, except as expressly required by applicable securities laws.

CASH DISTRIBUTIONS

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

Although PIRET intends to make distributions of a significant percentage of its available cash to Unitholders, such cash distributions are not assured and may be reduced, suspended or discontinued. The ability of PIRET to make cash distributions and the actual amount of cash distributed will be dependent upon, among other things, the financial performance of the properties in its portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Units may decline for a variety of reasons, including if PIRET is unable to meet its cash distribution targets in the future, and such decline may be significant. It is important for a person making an investment in Units to consider the particular risk factors that may affect both PIRET and the real estate industry in which PIRET operates and which may therefore affect the stability of the cash distributions on the Units. See “Risk Factors”.

PURE INDUSTRIAL REAL ESTATE TRUST

Overview of the Trust

PIRET is an unincorporated, open-ended real estate investment trust created by the Trust Declaration and governed by the laws of British Columbia. PIRET's head office and address for service is 910 – 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

PIRET was established to focus on acquiring, owning and operating a diversified portfolio of income-producing industrial properties in leading markets across Canada and key distribution and logistics markets in the United States. PIRET is one of the largest publicly-traded REITs in Canada that offers investors exposure to the industrial real estate asset class in Canada and the United States.

PIRET became a publicly-traded real estate investment trust on August 24, 2007. As of the date hereof, PIRET's portfolio (excluding assets held for sale) includes: 166 income-producing properties, representing approximately 22.1 million square feet of GLA; one property under development expected to contribute an additional 0.3 million square feet of GLA upon completion; and 42.4 acres of land held for development. The income-producing properties are located across Canada and the United States, as follows: ten properties located in British Columbia, 42 properties located in Alberta, four properties located in Saskatchewan, eight properties located in Manitoba, 75 properties located in Ontario, four properties located in Quebec and 23 properties located in the United States. In addition, as of the date hereof, the Trust has six investment properties classified as assets held for sale.

DESCRIPTION OF THE BUSINESS

North American Platform Focused on High Quality Industrial Real Estate

PIRET's primary objectives are: (a) to generate stable and growing cash distributions on a tax-efficient basis from investments in a diversified portfolio of income-producing industrial properties in leading markets within and outside Canada; (b) to enhance the value of PIRET's assets and maximize the long-term value of its properties through active management; and (c) to expand PIRET's asset base and increase its distributions per Unit on a sustainable, long-term basis through accretive acquisitions and value-add initiatives.

PIRET aims to be the leading North American provider of functional, flexible and high quality industrial properties. In order to fulfill its objectives, PIRET maintains a disciplined strategy of pursuing accretive acquisitions focused on industrial properties well located in leading markets in Canada and the United States, that have prudent and conservative financial management and proactive property management.

PIRET adheres to a strict acquisition criteria focused on high quality industrial properties, well located with convenient access to major transportation arteries and proximity to densely populated markets. PIRET seeks out industrial properties with high quality construction and design standards that allow for the reconfiguration of space in the event that re-tenanting is required. With respect to acquisition pricing, PIRET gives significant consideration to price per square foot relative to replacement costs.

PIRET aims to acquire and operate industrial properties that are well occupied by strong credit quality tenants with long-term double net or triple net leases, thus enhancing the stability and predictability of the cash flow.

PIRET's portfolio of industrial properties is well diversified by geography, industry, tenant and industrial property type. PIRET has pursued a strategy of geographic diversification through its acquisition program. In addition, PIRET's management believes that a North American platform, combined with a strategy of regional clustering, provides PIRET with significant economies of scale and the ability to provide a broad product offering to current and prospective tenants.

RECENT DEVELOPMENTS

There have been no material developments in PIRET's business since March 8, 2017, the date of PIRET's 2016 AIF, which have not been disclosed in the Short Form Prospectus or the documents incorporated by reference

therein, or elsewhere in this Prospectus Supplement or in the documents incorporated by reference herein, except as follows:

Board of Trustees Changes

On March 9, 2017, the Trust announced the appointment of Ms. Lis Wigmore to the Board of Trustees. Mr. Douglas Scott did not stand for re-election at the Trust's annual and special meeting held on May 10, 2017.

Equity Financing

On April 5, 2017, PIRET completed the April 2017 Offering. In PIRET's prospectus supplement dated March 29, 2017, available on SEDAR at www.sedar.com, PIRET disclosed that it intended to use the net proceeds of the April 2017 Offering primarily to selectively repay existing indebtedness which was incurred more than two years ago, to fund new acquisitions and for general trust purposes. To date, proceeds from the April 2017 Offering have been used, or are intended to be used, as follows:

- (a) to partially fund the following properties: (i) the Dallas Acquisition (as defined herein) in the amount of \$55.5 million (US\$42.0 million), (ii) the North Carolina Acquisition (as defined herein) in the amount of \$20.1 million, and (iii) the GTA Development (as defined herein) in the amount of \$16.1 million;
- (b) to repay mortgages in the amount of \$17.2 million in April and May 2017; and
- (c) to repay the Trust's operating line in the amount of \$38.0 million.

Operating Loan Facility

On April 12, 2017, PIRET entered into an unsecured \$150 million revolving operating loan facility for a term of three years. PIRET has the option to increase the facility up to an additional \$100 million for a total facility of \$250 million. On the same date, PIRET terminated its previous \$110 million secured revolving operating loan facility.

Recent Dispositions

On March 14, 2017, PIRET completed the disposition of partial interests in four assets in Alberta and one asset in Ontario to an existing joint-venture partner for approximately \$47.3 million. The purchaser assumed its proportionate interest in the associated mortgages in the aggregate amount of approximately \$17.8 million, resulting in net proceeds of \$29.5 million.

On April 1, 2017, PIRET completed the disposition of 6800 Rexwood Road, Rexdale, Ontario for a sale price of approximately \$7.8 million. The asset was unencumbered at the time of sale.

On April 7, 2017, PIRET completed the disposition of 7470 Vantage Way, Delta, 13325 Comber Way, Surrey, and 75 Golden Drive, Coquitlam, British Columbia for an aggregate sale price of approximately \$21.0 million. The assets were unencumbered at the time of sale.

On April 25, 2017, PIRET completed the disposition of 7805 – 51 Street SE Calgary, Alberta for a sale price of approximately \$3.5 million. The asset was unencumbered at the time of sale.

On May 1, 2017, PIRET completed the disposition of 333 De Baets Street, Winnipeg, Manitoba for a sale price of approximately \$3.5 million. The asset was unencumbered at the time of sale.

On May 18, 2017, PIRET completed the disposition of 9255 – 194 Street, Surrey, British Columbia for a sale price of approximately \$27.5 million. The associated mortgage of \$10.2 million was repaid.

On June 2, 2017, PIRET completed the disposition of 1390 and 1401 – 17th Avenue SE, Calgary, Alberta, for an aggregate sale price of approximately \$6.4 million. The assets were unencumbered at the time of sale.

Recent Acquisitions

On March 8, 2017, PIRET completed the acquisition of land adjacent to an existing property in San Antonio, Texas for a purchase price of approximately \$3.7 million (US\$2.8 million). The acquisition was funded with cash on hand.

On April 4, 2017, PIRET completed the acquisition of two newly-constructed buildings comprising a total of 996,482 square feet located in Houston, Texas (the “**Houston Acquisition**”) for a purchase price of approximately \$85.2 million (US\$63.5 million), representing a going-in capitalization rate of approximately 6.8%. The acquisition was financed with cash on hand and PIRET’s existing operating line. On April 7, 2017, PIRET entered into new mortgages secured by the assets in the amount of \$42.2 million (US\$31.5 million) with a ten year term and a fixed interest rate of 3.88% per annum. Amounts drawn on PIRET’s operating lines were subsequently repaid in full.

On June 13, 2017, PIRET completed the acquisition of the remaining 49% interest in PIRET NC Property Limited Partnership (the “**North Carolina Acquisition**”), a subsidiary which held a portfolio of three buildings located in North Carolina, from the Trust’s existing joint venture partner for a purchase price of approximately \$20.1 million (US\$15.2 million). The acquisition was financed with cash on hand.

On June 14, 2017, PIRET completed the acquisition of a 758,922 square foot distribution centre located in the Dallas suburb of Wilmer, Texas (the “**Dallas Acquisition**”) for a purchase price of approximately \$55.5 million (US\$42.0 million), representing a going-in capitalization rate of approximately 5.9% and a price per sf of approximately \$73 (US\$55). The Dallas Acquisition was funded with cash on hand.

On July 13, 2017, PIRET completed the acquisition of a 150,000 square foot warehouse in Scarborough, Ontario, for a purchase price of approximately \$16.1 million (the “**GTA Development**”). Upon closing, PIRET entered into a development agreement to redevelop the site, with a new state-of-the-art 300,000 square foot distribution centre for a total estimated cost of \$35.1 million, including land.

Properties Under Contract

Richmond Acquisition

PIRET has entered into an agreement to acquire a 268,000 square foot distribution centre located in Richmond, British Columbia (the “**Richmond Acquisition**”) for a purchase price of approximately \$32.6 million, representing a going-in capitalization rate of approximately 5.9% (inclusive of rental payments related to a 49-year ground lease with the Vancouver Port Authority). The acquisition is expected to close in late July or August 2017 and will be partially financed with proceeds from this Offering.

Pending Acquisitions

PIRET has entered into three agreements to acquire an aggregate of eight income producing properties (the “**Pending Acquisitions**”), comprised of: (i) four assets located in Mississauga, Brampton and Vaughan (the “**GTA Portfolio**”); (ii) two assets located in Montreal (the “**Montreal Properties**”); and (iii) two assets located in Edmonton (the “**Edmonton Properties**”), and an aggregate of approximately 1.9 million square feet of GLA situated on 181 acres of land, for a total purchase price of \$365.2 million, representing a weighted average going-in capitalization rate of approximately 5.2%.

The Pending Acquisitions represent a geographic weighting by net operating income, as follows:

| Acquisition | Market | Net Operating Income |
|---------------------|------------------------------|-----------------------------|
| GTA Portfolio | Mississauga/Brampton/Vaughan | 72% |
| Montreal Properties | Montreal | 10% |
| Edmonton Properties | Edmonton | 18% |
| Total | | 100% |

Upon closing, the properties will be 100% occupied and leased to high quality multinational tenants under long-term lease agreements, and, taken together, have a weighted average lease term of 9.8 years. In addition, there exists expansion potential or development opportunity at two of the properties comprising the Pending Acquisitions.

PIRET has contracted with independent third parties in respect of the foregoing acquisitions and such acquisitions are not conditional upon the completion of the acquisition of any other property under contract. The Trust anticipates closing of the Pending Acquisitions to occur between late August and September of 2017.

General

Consistent with PIRET's past practices and in the normal course of business, PIRET is engaged in discussions, and may have various conditional agreements, with respect to possible acquisitions of new properties and dispositions of existing properties in its portfolio. However, there can be no assurance that these discussions or agreements will result in acquisitions or dispositions or, if they do, what the final terms or timing of such acquisitions or dispositions would be. PIRET expects to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

USE OF PROCEEDS

The net proceeds from this Offering will be approximately \$191,500,000 (or \$220,300,000 if the Over-Allotment Option is exercised in full) after deducting the Underwriters' fees of \$8,000,000 (or \$9,200,000 if the Over-Allotment Option is exercised in full) and expenses of this Offering estimated at \$500,000. PIRET intends to use the net proceeds of the Offering primarily to finance a portion of the purchase price of the Richmond Acquisition and the Pending Acquisitions, as more particularly described under "Recent Developments – Properties Under Contract". The balance of the purchase price is intended to be paid using cash on hand and the Trust's unsecured operating line. The Trust may subsequently place new mortgage financing on certain of the properties following closing.

Other than as described in this Prospectus Supplement, there are no other particular significant events or milestones that must occur for PIRET's business objectives to be accomplished.

CONSOLIDATED CAPITALIZATION

The following table sets out PIRET's consolidated capitalization as at March 31, 2017 and the *pro forma* consolidated capitalization of PIRET as at March 31, 2017 after giving effect to this Offering and the following interim adjustments (the "Adjustments"):

- (a) mortgage repayment in the amount of \$10,197,572 associated with the disposition of 9255 – 194 Street, Surrey, British Columbia;
- (b) mortgage repayments or discharges associated with five properties totaling \$22,820,766;
- (c) repayment of the Trust's operating line of \$38,000,000;
- (d) mortgage loan in respect of the Houston Acquisition in the amount of \$42,200,000 (US\$31,500,000);
- (e) anticipated draws on the operating line and/or mortgages to be placed post-closing in respect of the Pending Acquisitions;
- (f) the April 2017 Offering;
- (g) the North Carolina Acquisition and related impact on non-controlling interests; and

- (h) the exercise of Unit options at a price of \$4.2867 per Unit and the issuance of 240,000 Units in respect thereof.

This table should be read in conjunction with the financial statements and notes thereto incorporated by reference in this Prospectus Supplement.

| | As at March 31, 2017 before giving effect to this Offering (unaudited) (\$000s, except Units) | As at March 31, 2017 including the Adjustments and after giving effect to this Offering (without exercise of the Over-Allotment Option) (unaudited) (\$000s, except Units) |
|--|--|---|
| Mortgages payable and bank loans | \$1,068,703 | \$1,160,782 |
| Mortgages held for sale | \$18,562 | \$8,364 |
| Unitholders Equity (Units – Authorized: unlimited) | \$1,411,883 (245,717,372 Units) | \$1,742,673 (301,184,872 Units) |
| Non-controlling Interests | \$29,644 | \$11,013 |
| Total Capitalization | \$2,528,792 | \$2,922,833 |

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, PIRET has agreed to sell and the Underwriters have agreed to purchase on the Closing Date, being on or about August 3, 2017, or such other date as PIRET and the Underwriters may agree, but in any event no later than August 10, 2017, an aggregate of 31,250,000 Units at a price of \$6.40 per Unit, payable against delivery of the Units on the Closing Date. The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of their assessment of the state of the financial markets, in certain other circumstances and upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. PIRET has agreed to indemnify the Underwriters and their respective directors, officers, shareholders and employees against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Underwriters may be required to make in respect thereof. The Offering is being made concurrently in each of the provinces and territories of Canada.

PIRET has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part for a period of 30 days from the Closing Date, to purchase up to 4,687,500 additional Units, being 15% of the Units sold under the Offering, on the same terms and conditions as set forth above to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' fee and net proceeds to PIRET exclusive of other offering expenses will be \$230,000,000, \$9,200,000 and \$220,800,000, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the Units issuable upon the exercise of the Over-Allotment Option.

The Offering Price was determined by negotiation between PIRET and Co-Lead Underwriters on behalf of the Underwriters. PIRET has agreed to pay the Underwriters a fee equal to 4.0% of the gross proceeds of this Offering, being an aggregate fee of \$8,000,000 (subject to increases in an amount of up to \$1,200,000 in the event that the Over-Allotment Option is exercised in full by the Underwriters).

The offered Units shall be identical in terms of all other currently outstanding Units. A more detailed description of the attributes of the Units can be found in PIRET's 2016 AIF under "Summary of the Trust Declaration" and "Redemption Rights". The Trust is authorized to issue an unlimited number of Units. PIRET currently makes monthly cash distributions to Unitholders of \$0.026 per Unit (\$0.312 per Unit on an annual basis). Distributions in respect of a month will be paid on the Distribution Date to Unitholders of record on the last business day of such month (or other distribution period). A more detailed description of PIRET's distribution policy can be found in PIRET's 2016 AIF under "Distributions".

The Units are listed on the TSX under the trading symbol “AAR.UN”. The TSX has conditionally approved the listing of the Units distributed under this Offering. Listing will be subject to PIRET fulfilling all of the listing requirements of the TSX.

PIRET has agreed not to issue any Units or securities of PIRET convertible or exercisable or exchangeable into Units (other than in connection with the acquisition of real property or for purposes of Trustees’, officers’ or employees’ stock options, restricted units, or to satisfy existing rights, warrants, options, agreements or instruments issued at the date hereof or in connection with PIRET’s Unitholder rights plan) or announce any intention to do so, until 90 days after Closing Date without the prior consent of the Co-Lead Underwriters such consent not to be unreasonably withheld.

The Units offered have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the “**1933 Act**”) or any state securities laws, and, accordingly, may not be offered and sold within the United States (as such term is defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. The Underwriting Agreement permits the Underwriters to offer and resell Units purchased from PIRET to “qualified institutional buyers” (as defined in Rule 144A under the 1933 Act) in accordance with the exemption from the registration requirements of the 1933 Act provided by Rule 144A. The Underwriting Agreement requires the Underwriters to conduct all offers and sales of the Units outside the United States only in accordance with Rule 903 of Regulation S under the 1933 Act. In addition, until 40 days after the closing of an offering of Units, an offer or sale of such Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act, unless such offer is made pursuant to an exemption from registration under the 1933 Act.

The Underwriters propose to offer the Units initially at the Offering Price on the cover page of this Prospectus. After the Underwriters have made a reasonable effort to sell all of the Units offered by this Prospectus at the Offering Price specified herein, the offering price may be decreased, and further changed from time to time to an amount not greater than the Offering Price specified herein, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Units is less than the gross proceeds paid by the Underwriters to PIRET.

Pursuant to the rules and regulations of certain securities regulators, the Underwriters may not, during the period of distribution under this Prospectus, bid for or purchase Units. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the rules of the TSX relating to market stabilization and passive market activities; and (b) a bid or purchase made for and on behalf of a customer where the bid was not solicited during the period of the distributions, provided that the bid or purchase was not engaged in for the purpose of creating an actual or apparent active trading in, or raising the price of, the Units. In connection with this Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Units at a level other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

At the closing of this Offering, the Units will be available for delivery in a book-entry only form through the facilities of CDS. A purchaser of Units will receive only a customer confirmation from a registered dealer who is a CDS Participant through which the Units were purchased.

There are constraints on the ownership of Units by non-residents of Canada (within the meaning of the Tax Act). The constraints and the mechanism by which ownership by non-residents of Canada (within the meaning of the Tax Act) is monitored and maintained can be found in PIRET’s 2016 AIF under “Summary of the Trust Declaration – Non-Resident Ownership Constraint”.

Connected Issuer

PIRET may be considered to be a connected issuer of BMO, due to affiliates of BMO (the “**BMO Affiliates**”) being the lenders under mortgage financings of certain of PIRET’s properties. As at June 30, 2017, the aggregate outstanding principal balance of such mortgages owing to the BMO Affiliates was \$90,986,190. PIRET is in compliance with the terms of the mortgages and other security securing the mortgages. No breaches have occurred under such mortgages.

PIRET may also be considered to be a connected issuer of RBC, due to affiliates of RBC (the “**RBC Affiliates**”) being the lenders under mortgage financings of certain of PIRET’s properties and having an established unsecured operating loan for PIRET. As at June 30, 2017, the aggregate outstanding principal balance of such mortgage financings owing to the RBC Affiliates was \$44,216,459 and the balance owing on the operating loan was \$nil.

PIRET may also be considered to be a connected issuer of CIBC, due to affiliates of CIBC (the “**CIBC Affiliates**”) being the lenders under mortgage financings of certain of PIRET’s properties. As at June 30, 2017, the aggregate outstanding principal balance of such mortgages was \$50,171,676. PIRET is in compliance with the terms of the mortgages and other security securing the mortgages. No breaches have occurred under such mortgages.

PIRET may also be considered to be a connected issuer of National Bank, due to affiliates of National Bank (the “**National Bank Affiliates**”) having an established unsecured operating loan for PIRET. As at June 30, 2017, the balance owing on the operating loan was \$nil

PIRET may also be considered to be a connected issuer of TD, due to affiliates of TD (the “**TD Affiliates**”) being the lenders under mortgage financings of certain of PIRET’s properties. As at June 30, 2017, the aggregate outstanding principal balance of such mortgages was \$68,855,751. PIRET is in compliance with the terms of the mortgages, and other security securing the mortgages. No breaches have occurred under such mortgages and/or loans.

Other than as disclosed herein, no portion of the proceeds from this Offering will be applied to the repayment of the mortgages and/or the loans. None of the BMO Affiliates, the RBC Affiliates, the CIBC Affiliates, the National Bank Affiliates, nor the TD Affiliates were involved in the decision by PIRET to offer the Units pursuant to this Prospectus nor in the determination of the terms of this Offering. This Offering was not required, suggested or consented to by any of the BMO Affiliates, the RBC Affiliates, the CIBC Affiliates, the National Bank Affiliates, or the TD Affiliates. Except to the extent that BMO, RBC, CIBC, National Bank or TD may receive a portion of the sales fees payable to the Underwriters as a result of sales of Units by BMO, RBC, CIBC, National Bank or TD, proceeds from this Offering will not be applied for the benefit of BMO, the BMO Affiliates, RBC, the RBC Affiliates, CIBC, the CIBC Affiliates, National Bank, the National Bank Affiliates, TD, or the TD Affiliates.

PRIOR SALES

The following tables set forth the details regarding all issuances of Units, including issuances of all securities convertible into Units for the 12-month period prior to the date of this Prospectus Supplement:

Units

| Date | Security Issued | Reason | Number of Securities | Price |
|-------------------|-----------------|--|----------------------|--------|
| October 13, 2016 | Class A Unit | Public Offering | 26,875,500 | \$5.35 |
| December 2, 2016 | Class A Unit | Redemption of Restricted and Distribution Restricted Units | 3,014 | \$5.20 |
| December 20, 2016 | Class A Unit | Redemption of Restricted and Distribution Restricted Units | 6,177 | \$5.30 |
| December 23, 2016 | Class A Unit | Re-designation of Class B Units | 2,535,118 | N/A |
| February 17, 2017 | Class A Unit | Redemption of Restricted and Distribution Restricted Units | 1,404 | \$5.71 |
| March 15, 2017 | Class A Unit | Redemption of Restricted and Distribution Restricted Units | 35,000 | \$5.93 |

| Date | Security Issued | Reason | Number of Securities | Price |
|---------------|------------------------|--------------------------|-----------------------------|--------------|
| April 5, 2017 | Class A Unit | Public Offering | 23,977,500 | \$6.00 |
| May 24, 2017 | Class A Unit | Exercise of Unit Options | 240,000 | \$4.29 |

Restricted Units and Distribution Restricted Units

| Date | Security Issued | Reason | Number of Securities | Price |
|--------------------|------------------------------|-----------------------------|-----------------------------|--------------|
| August 15, 2016 | Distribution Restricted Unit | Monthly distribution | 4,170 | \$5.37 |
| September 15, 2016 | Distribution Restricted Unit | Monthly distribution | 4,009 | \$5.61 |
| October 17, 2016 | Distribution Restricted Unit | Monthly distribution | 3,510 | \$5.43 |
| November 15, 2016 | Distribution Restricted Unit | Monthly distribution | 3,399 | \$5.35 |
| December 15, 2016 | Distribution Restricted Unit | Monthly distribution | 3,457 | \$5.25 |
| January 16, 2017 | Distribution Restricted Unit | Monthly distribution | 3,263 | \$5.44 |
| February 10, 2017 | Distribution Restricted Unit | Long-term incentive plan | 34,429 | \$5.83 |
| February 15, 2017 | Restricted Units | Employee unit purchase plan | 10,216 | \$5.71 |
| March 7, 2017 | Restricted Units | Long-term incentive plan | 119,130 | \$5.92 |
| March 15, 2017 | Distribution Restricted Unit | Monthly Distribution | 3,588 | \$5.93 |
| April 15, 2017 | Distribution Restricted Unit | Monthly Distribution | 3,420 | \$6.13 |
| May 15, 2017 | Distribution Restricted Unit | Monthly Distribution | 3,216 | \$6.55 |
| June 15, 2017 | Distribution Restricted Unit | Monthly Distribution | 3,117 | \$6.79 |
| July 17, 2017 | Distribution Restricted Unit | Monthly Distribution | 3,109 | \$6.83 |

Trading Price and Volume

The Units are listed on the TSX under the trading symbol “AAR.UN”. The table below sets out the monthly high and low intra-day trading prices and volumes for the Units on the TSX for the 12-month period prior to the date of this Prospectus Supplement:

| 2016 | High | Low | Volume |
|-------------|-------------|------------|---------------|
| July | \$5.47 | \$5.10 | 9,902,342 |
| August | \$5.73 | \$5.32 | 12,701,927 |
| September | \$5.80 | \$5.45 | 15,402,409 |
| October | \$5.54 | \$5.25 | 16,427,264 |
| November | \$5.43 | \$4.97 | 15,995,488 |
| December | \$5.61 | \$5.26 | 12,440,356 |
| 2017 | High | Low | Volume |
| January | \$5.71 | \$5.43 | 8,690,230 |
| February | \$6.08 | \$5.66 | 11,735,102 |
| March | \$6.24 | \$5.82 | 20,862,494 |
| April | \$6.61 | \$6.06 | 17,732,201 |
| May | \$6.83 | \$6.49 | 18,610,206 |

| 2016 | High | Low | Volume |
|--------------|-------------|------------|---------------|
| June | \$7.07 | \$6.75 | 19,575,978 |
| July 1 to 26 | \$6.90 | \$6.40 | 16,174,275 |

The closing price of the Units on the TSX on July 26, 2017 was \$6.43.

DEBT AND CURRENCY STRATEGY

PIRET finances a portion of the purchase price of its properties by way of mortgage loans from third party lenders. PIRET's Indebtedness Ratio was 41.8% as at March 31, 2017. The Trust Declaration provides for a maximum Indebtedness Ratio of 70%.

PIRET will primarily use five (5) to ten (10) year fixed rate amortizing debt. Interest only debt and short term floating rate loans will be used in appropriate circumstances. PIRET intends to use the current favourable debt and interest rate environment to prudently manage its overall financial leverage within a range of 40% to 50% of Gross Book Value in order to maximize its return on equity while mitigating financial risk to PIRET and maintaining stable cash flows.

If management of PIRET determines it is beneficial, it may monitor currency exchange rates and consider entering into foreign currency forward contracts ("FCFCs") or other foreign currency derivatives to reduce the risks associated with changes in the U.S. dollar and the impact such changes could have on PIRET's Canadian dollar distributions.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

You should consult your own professional advisors to obtain advice on the tax consequences that apply to you.

In the view of KPMG LLP ("**KPMG**"), in its capacity as tax advisor to PIRET, and McMillan LLP, counsel to the Underwriters ("**Underwriters' counsel**"), the following is a summary, as of the date hereof, of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a Unitholder who acquires Units pursuant to this Offering and who, for purposes of the Tax Act and at all relevant times, is resident in Canada for purposes of the Tax Act, deals at arm's length and is not affiliated with PIRET and holds the Units as capital property. Generally, the Units will be considered to be capital property to a Unitholder provided such Units are not held in the course of carrying on a business and have not been acquired 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 have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Unitholders should consult their own tax advisors regarding their particular circumstances as such election would affect the income tax treatment of dispositions of all "Canadian securities" (as defined in the Tax Act) owned by the Unitholder in the taxation year in which the election is made and in all subsequent taxation years.

This summary is not applicable to a Unitholder that is a "financial institution" for purposes of the "mark-to-market" rules, a "specified financial institution", or a Unitholder, an interest in which is a "tax shelter investment" (all as defined in the Tax Act) or a Unitholder that has elected to report the Unitholder's Canadian tax results in a currency other than Canadian currency or a Unitholder that has entered into or will enter into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Units. All such Unitholders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of the Units acquired pursuant to this Offering.

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 on the facts set out in the Prospectus and in a certificate provided to KPMG and Underwriters' counsel by PIRET (the "**Officer's Certificate**"). This summary assumes that the representations made in the Officer's Certificate, including the representations that (i) PIRET has at all times qualified and currently qualifies as a "mutual fund trust" and a "real estate investment trust" for purposes of the Tax Act, and (ii) PIRET will ensure PIRET will continue to qualify as a "mutual fund trust" and a "real estate investment trust" under the provisions of the Tax Act, are true and correct. This summary is also based upon the provisions of the Tax Act and the regulations (the "**Regulations**") thereunder in force as of the date hereof and on KPMG's and Underwriters' counsel's understanding of the publicly available administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations thereunder which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"). There can be no assurance that the Proposed Amendments will be enacted in their current form or at all, or that the CRA will not change its administrative policies and assessing practices.

This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action. There can be no assurances that such changes, if made, might not be retroactive. Modification or amendment of the Tax Act or the Proposed Amendments could significantly alter the tax status of PIRET and the tax consequences of investing in Units. This summary also does not take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed in this Prospectus.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the particular circumstances applicable to each holder thereof. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units. Prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences of an investment in Units based on their particular circumstances.

Tax Status of PIRET

Qualification as a "Mutual Fund Trust"

This summary assumes that PIRET has qualified at all times since inception, currently qualifies and will continue to qualify as a "mutual fund trust" as defined in the Tax Act. If PIRET does not qualify or ceases to qualify as a mutual fund trust, the income tax considerations would be materially different from those described in this summary, and in particular, adverse consequences may arise including that (i) PIRET may become liable to pay certain additional tax liabilities (with the result that the amount of cash available for distribution by PIRET would be reduced and Unitholders may otherwise be adversely affected), and, (ii) if at such time the Units are also not listed or cease to be listed on the TSX (or other designated stock exchange), the Units may not be qualified investments for Plans (with the result that a Plan, its annuitant or holder thereof may become liable to pay additional tax or penalties or may be otherwise adversely affected including, in the case of a registered education savings plan (an "**RESP**"), the registration of such a Plan may be revoked).

To qualify as a mutual fund trust at any particular time: (i) PIRET must be a unit trust (as defined in the Tax Act) resident in Canada; (ii) PIRET must not reasonably be considered to be established or maintained primarily for the benefit of non-residents of Canada; (iii) the only undertaking of PIRET must be limited to the investing of funds in property (other than real property or an interest in real property), or the acquiring, holding, maintaining, improving, leasing or managing of real property (or an interest in real property) that is capital property of PIRET, or any combination of such activities; and (iv) PIRET must comply with certain prescribed requirements including that the Units be qualified for distribution to the public and that at all relevant times there must be no fewer than 150 beneficiaries of PIRET holding at least one block of Units having an aggregate fair market value of not less than \$500 each (for these purposes, if the fair market value of a Unit is less than \$25, a block of units means 100 Units).

Qualification as a “Real Estate Investment Trust”

The SIFT Measures

The Tax Act contains rules regarding the taxation of certain types of publicly listed or traded trusts or partnerships and their investors (the “**SIFT Measures**”). The SIFT Measures effectively tax certain income of a publicly listed or traded trust or partnership that is distributed to its investors as if the income were earned through a Canadian taxable corporation and distributed to its notional shareholder as a dividend.

The SIFT Measures apply to any “specified investment flow-through” (a “**SIFT**”) and its investors. A SIFT includes a Canadian resident trust (“**SIFT trust**”) where investments in the trust are listed or traded on a stock exchange or other public market, and the trust holds “non-portfolio property” (as defined in the Tax Act). The effect of the SIFT Measures is that SIFT trusts would generally be subject to a special tax (“**SIFT tax**”) on their “non-portfolio earnings” where such earnings are distributed or allocated to investors of the trust.

Certain distributions attributable to a SIFT trust’s “non-portfolio earnings” (the “**non-deductible distributions amount**”) will not be deductible in computing the SIFT trust’s income. A SIFT trust will be subject to SIFT tax on such distributions (grossed-up for taxes) at a rate that is substantially equivalent to the combined federal and provincial corporate tax rate applicable to taxable Canadian corporations. For these purposes, “non-portfolio earnings” generally includes income from businesses carried on in Canada and income (other than taxable dividends) from, and capital gains realized on, “non-portfolio properties” in the taxation year. The “non-deductible distributions amount” will also be included in computing income of the Unitholder for purposes of the Tax Act as though it were an “eligible dividend” from a taxable Canadian corporation, subject to the detailed provisions of the Tax Act.

Generally, distributions paid by a SIFT as returns of capital will not be subject to this tax.

The REIT Exception

The SIFT Measures do not, however, apply to a trust that qualifies as a REIT for the year (this exception is referred to as the “**REIT Exception**”). If a trust does not satisfy the REIT Exception throughout the year, the SIFT Measures will apply to the trust for that year. To qualify for the REIT Exception in a particular taxation year of the trust under the SIFT Measures:

- (a) the trust must be resident in Canada throughout the taxation year;
- (b) the total fair market value of all non-portfolio properties that are “qualified REIT properties” (as described below) held by the trust must, at all times throughout the taxation year, be at least 90% of the total fair market value of non-portfolio properties held by the trust;
- (c) not less than 90% of the trust’s “gross REIT revenue” (as described below) for the taxation year must be from one or more of the following: (i) rent from “real or immovable properties” (as described below), (ii) interest, (iii) dispositions of real or immovable properties that are capital properties, (iv) dividends, (v) royalties, and (vi) dispositions of “eligible resale properties”;
- (d) not less than 75% of the trust’s gross REIT revenue for the taxation year must be from one or more of the following: (i) rent from real or immovable properties, (ii) interest from mortgages or hypothecs on real or immovable properties, (iii) dispositions of real or immovable properties that are capital properties;
- (e) the trust must, at all times throughout the taxation year, hold real or immovable property that is capital property, eligible resale property, indebtedness of a Canadian corporation represented by a bankers' acceptance, cash, debt issued or guaranteed by governments in Canada, or deposits in a bank or a credit union having a total fair market value that is equal to 75% or more of the trust’s equity value; and

- (f) investments in the trust must, at all times throughout the taxation year, be listed or traded on a stock exchange or other public market.

For purposes of the REIT Exception, “qualified REIT property” refers to (a) real or immovable property that is held as capital property, eligible resale property, indebtedness of a Canadian corporation represented by a bankers’ acceptance, cash, debt issued or guaranteed by governments in Canada, or a deposit with a credit union; (b) a security of a subject entity all or substantially all of the gross REIT revenue of which for its taxation year that ends in the trust’s taxation year is from certain management activities relating to real or immovable property of the trust that are capital properties of the trust or of an entity of which the trust holds a share or an interest; (c) a security of a subject entity that holds no property other than legal title to real or immovable property of the trust or another subject entity all of the securities of which are held by the trust; and (d) property which is ancillary to the earning by the trust of gross REIT revenue from rent from real or immovable properties or from dispositions of such properties that are capital properties other than (i) an equity of an entity, or (ii) a mortgage, hypothecary claim, mezzanine loan or similar obligation.

Also for these purposes: “real or immovable property” does not include depreciable property, other than certain real estate assets, property ancillary to the ownership or utilization of such real estate assets or leases in, or leasehold interests in respect of, land or such real estate assets; “rent from real or immovable properties” includes payment for services ancillary to, and customarily rendered or supplied with, the rental of real or immovable properties, but excludes certain other payments or receipts that would otherwise be considered rent; “eligible resale property” of an entity means real or immovable property that is not held as capital property and (a) is contiguous to a particular real or immovable property that is capital property or eligible resale property held by the entity or another entity affiliated with the entity, and (b) the holding of which is ancillary to the holding of the particular property; and “gross REIT revenue” of an entity for a taxation year refers to the amount, if any, by which the total of all amounts received or receivable in the year by the entity exceeds the total of all amounts each of which is the cost to the entity of a property disposed of in the year.

The REIT Exception in the SIFT Measures contains a number of technical tests and the determination as to whether PIRET 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 factual matters set out in the Officer’s Certificate, PIRET has informed KPMG and Underwriters’ counsel that it believes that it has satisfied the requirements under the REIT Exception throughout each taxation year since PIRET’s inception and that it intends to continue to operate in a manner so that PIRET will continue to qualify throughout 2017 and each subsequent taxation year. KPMG and Underwriters’ counsel cannot provide any assurance in this regard. PIRET has not obtained, nor sought, an advance tax ruling from the CRA in respect of the non-application to PIRET of the SIFT Measures, including the availability to PIRET of the REIT Exception. There is also no assurance that subsequent investments or activities undertaken by PIRET will not result in PIRET failing to qualify for the REIT Exception. KPMG and Underwriters’ counsel will not review PIRET’s compliance with the conditions for the REIT Exception. The Trust Declaration provides that PIRET will monitor its status as a REIT under the Tax Act (or proposed amendments thereto). Further, there can be no assurances that the treatment of SIFTs and REITs under the Tax Act will not be changed, or that the administrative policies and the assessing practices of the CRA will not develop, in a manner which adversely affects PIRET or its Unitholders.

The balance of this summary assumes that PIRET has and will continue to qualify for the REIT Exception at all times. Should PIRET cease to qualify as a REIT under the REIT Exception for a taxation year, the income tax considerations would be materially different from those described in this summary, and in particular the non-deductible distributions amount, as previously described, would be taxable to PIRET (with the result that the amount of cash available for distribution by PIRET would be reduced) and such amount would also be included in the income of Unitholders for purposes of the Tax Act as taxable dividends.

Taxation of PIRET

The taxation year of PIRET is the calendar year. In each taxation year, PIRET will be subject to tax under Part I of the Tax Act on its income for purposes of the Tax Act for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Trust Unitholders. An amount will be considered to be payable to a Trust Unitholder in a taxation year if it is paid to the Trust Unitholder in the year by PIRET or if the Trust Unitholder is entitled in that year to enforce payment of the amount.

PIRET will generally be required to include in computing income for a particular taxation year its income realized from the rental of its rental properties, any taxable capital gains or recapture of capital cost allowance arising from dispositions of its properties, any interest income on cash balances, or generally any other investment income realized from PIRET's investment activities. In computing its income for purposes of the Tax Act, PIRET may generally deduct reasonable administrative costs, interest and other expenses of a current nature incurred by it for the purpose of earning income. PIRET will be entitled to deduct reasonable expenses incurred by it in the course of issuing Trust Units on a five-year straight line basis (subject to pro-ration for short taxation years).

The income of PIRET for purposes of the Tax Act will include, among other things, dividends received from PIRET Canada, interest on the PIRET Canada Note and the PIRET U.S. Note that accrues to PIRET to the end of the year, or that becomes receivable or is received by it before the end of the year (except to the extent that such interest was included in computing its income for a preceding taxation year), and net realized taxable capital gains (including any portion thereof arising from foreign currency gains on the repayment of the PIRET Canada Note or PIRET U.S. Note). Amounts received by PIRET from PIRET Canada as a return of paid-up capital (within the meaning of the Tax Act) on the common shares of PIRET Canada generally will not be taxable to PIRET. However, the adjusted cost base of the common shares of PIRET Canada held by PIRET will be reduced by any such distributions received. If at any time the adjusted cost base of the common shares of PIRET Canada held by PIRET would become a negative amount, PIRET will be deemed to have realized a capital gain equal to such amount.

A distribution by PIRET of its property (including Debt Securities) upon redemption of Units will, for purposes of the Tax Act be treated as a disposition by PIRET of the property at its fair market value, which can result in income and capital gains to PIRET. Assuming that the property held by PIRET as capital property for purposes of the Tax Act, PIRET will realize a capital gain (or a capital loss) on the property so distributed to the extent that the proceeds of disposition (excluding any amount otherwise included in income) of such property exceed (or are less than) the adjusted cost base of the property and any reasonable costs of disposition. The Trust Declaration provides that PIRET may designate as payable to the redeeming Trust Unitholder for purposes of the Tax Act any capital gain as a result of an *in specie* redemption of Units and any accrued interest on Debt Securities so distributed. The taxable portion of such gains and income may generally be deductible by PIRET.

Under the Trust Declaration, the Trustees may declare to be payable and make distributions out of income including net realized capital gains in such amounts as the Trustees may determine to Unitholders. The Officer's Certificate indicates that pursuant to the Trust's distribution policy, the Trust intends to make distributions and declare to be payable all of the Trust's net income of the Trust for each taxation year to the Trust Unitholders.

The Trust Declaration provides that to the extent cash of PIRET is unavailable for cash distributions, and the income of PIRET in a taxation year exceeds the cumulative cash distributions for that year, such excess income will generally be distributed to Trust Unitholders in the form of additional Units. Income of PIRET payable to Trust Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by PIRET in computing its taxable income.

Losses incurred by PIRET in a particular taxation year cannot be allocated to Trust Unitholders, but may be deducted by PIRET, in the case of non-capital losses, in the particular year and in the ensuing twenty taxation years and, in the case of capital losses, in the particular year and in any future taxation year to the extent of capital gains, in computing taxable income of PIRET in accordance with, and subject to, applicable provisions of the Tax Act.

PIRET will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Trust Units during the year (the "capital gains refund"). In certain circumstances, the capital gains refund in a

particular taxation year may not completely offset PIRET's tax liability for that taxation year arising in connection with the distribution of its property on the redemption of Trust Units. The Trust Declaration provides that all or a portion of any income or taxable capital gain realized by PIRET as a result of that redemption may, at the discretion of the Trustees, be treated as income or taxable capital gain paid to, and designated as income or taxable capital gain of, the redeeming Trust Unitholders, and thus deductible by PIRET in computing its income.

Taxation of PIRET Canada

PIRET Canada is subject to tax under the Tax Act and its taxation year is the calendar year. PIRET Canada's income for the purposes of the Tax Act includes any "foreign accrual property income" (as defined by the Tax Act) ("FAPI") realized by a "controlled foreign affiliate" (as defined by the Tax Act) (a "CFA") of PIRET Canada and any dividends received, less certain available deductions, as further described below. In computing its income, PIRET Canada generally will be able to deduct any interest paid or payable in respect of the year to PIRET pursuant to the PIRET Canada Note provided that such interest is reasonable, was incurred for the purpose of earning income from business or property, and does not constitute compound interest.

For purposes of the Tax Act, PIRET U.S. is a "foreign affiliate" (as defined in the Tax Act) and a CFA of PIRET Canada. The income earned by PIRET U.S. is expected to be FAPI. Any FAPI earned by PIRET U.S. must be included in PIRET Canada's income for the taxation year of PIRET Canada in which the taxation year of PIRET U.S. ends, subject to a deduction for grossed-up "foreign accrual tax" ("FAT deduction"), as computed in accordance with the Tax Act, whether or not PIRET actually receives a distribution of FAPI in the taxation year. The adjusted cost base to PIRET Canada of the common shares of PIRET U.S. will be increased by the amount of FAPI (net of any FAT deduction) included in the income of PIRET Canada. PIRET has informed KPMG and Underwriter's counsel that PIRET U.S. qualifies as a real estate investment trust for U.S. federal income tax purposes, and will be operated in a manner so that PIRET U.S. will continue to qualify throughout 2017 and each subsequent year. As a result, the amount of U.S. federal income tax payable by PIRET U.S. is not expected to be material, and, therefore it is not expected that there would be a material FAT deduction to apply against any FAPI in respect of PIRET U.S. However, at such time as PIRET Canada receives a dividend from PIRET U.S. out of amounts that were previously included in income as FAPI, that dividend will effectively not be included in computing the income of PIRET Canada and there will be a corresponding reduction in the adjusted cost base to PIRET Canada of the shares of PIRET U.S. Furthermore, in computing its taxable income, PIRET Canada will also be entitled to deduct an amount in respect of the U.S. tax paid on such dividends received from PIRET U.S. which are paid out of PIRET U.S.'s taxable surplus. Because of the above deductions, it is expected that dividends from PIRET U.S. paid out of its FAPI will not generally be subject to additional tax under the Tax Act.

To the extent that dividends are prescribed to be paid out of PIRET U.S.'s exempt surplus or pre-acquisition surplus, PIRET Canada will be entitled to a deduction equal to such dividends. The adjusted cost base to PIRET Canada of the common shares in PIRET U.S. will be reduced to the extent that dividends paid by PIRET U.S. are considered to have been paid out of pre-acquisition surplus. If the adjusted cost base to PIRET Canada of the common shares in PIRET U.S. would become a negative amount, PIRET Canada will be deemed to realize a capital gain equal to such amount for that year. PIRET Canada also generally will be entitled to a deduction equal to one-half of the portion of such dividends prescribed to have been paid out of PIRET U.S.'s hybrid surplus, plus an additional amount in respect of the other half of those dividends to reflect the portion of PIRET U.S.'s income that is subject to foreign tax at an equivalent rate to that applicable in Canada.

PIRET Canada generally will be entitled to designate taxable dividends paid by it to PIRET as eligible dividends for purposes of the Tax Act to the extent it is entitled to a deduction from income with respect to dividends received from PIRET U.S. and which have been paid from exempt surplus, taxable surplus, pre-acquisition surplus or hybrid surplus each to the extent of the deductions described above.

Taxation of Unitholders

Trust Distributions

Provided that the SIFT Measures discussed above do not apply, a Unitholder will generally be required to include in computing income for a particular taxation year the portion of the net income for purposes of the Tax Act of PIRET

for a taxation year, including FAPI attributed to PIRET, dividends received by PIRET and any net realized taxable capital gains, that is paid or payable by PIRET to the Unitholder in the particular taxation year, whether that amount is received in cash, additional Units, or otherwise. Any loss of PIRET for purposes of the Tax Act cannot be allocated to Unitholders.

Provided appropriate designations are made by PIRET, net taxable capital gains realized by PIRET that are paid or become payable to a Unitholder will retain their character as taxable capital gains to Unitholders for purposes of the Tax Act and will be subject to the general rules relating to the taxation of capital gains described below. The non-taxable portion of any net realized capital gains of PIRET that is 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 paid or payable by PIRET in that year (other than as proceeds of disposition) that is in excess of PIRET's net income for that year will not generally be required to be included in the Unitholder's income for the year. However, where such an amount is paid or payable to a Unitholder, the Unitholder will be required to reduce the adjusted cost base of the Units by that amount. To the extent that the adjusted cost base of a Unit would otherwise be a negative amount, the Unitholder will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of the Unit to the Unitholder will immediately thereafter be nil.

Provided that appropriate designations are made by PIRET, such portion of PIRET's foreign source income as is paid or payable, or deemed to be paid or payable, by PIRET to the Unitholders will effectively retain its source in the hands of the Unitholders, and Unitholders may be entitled to claim a foreign tax credit for a share of foreign taxes paid by PIRET. Provided that appropriate designations are made by PIRET, such portions of the taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations as are paid or payable, or deemed to be paid or payable, by PIRET to the Unitholders effectively will retain their character and be treated and taxed as such in the hands of the Unitholders for purposes of the Tax Act. 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 contained in the Tax Act (and may, to the extent certain conditions are met including that the corporate taxpayer makes appropriate designations to treat dividends as "eligible dividends", may also be eligible in such cases for the enhanced dividend tax credit) 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" (as defined in the Tax Act) and certain other corporations controlled directly or indirectly by or for the benefit of an individual (other than a Trust) or a related group of individuals (other than trusts), and to the deduction in computing taxable income in respect of Unitholders that are corporations.

Purchases of Units

A purchaser of a Unit may become taxable on a portion of the net income or capital gains of PIRET that have accrued or realized by PIRET before the time the Unit was purchased, but which is paid or made payable to Unitholders at the end of the month and after the time the Unit was purchased.

Dispositions of Units

On the disposition or deemed disposition of a particular Unit, whether on redemption or otherwise, a Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of such particular Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by PIRET that is otherwise required to be included in the Unitholder's income, including any capital gain or income realized by PIRET in connection with a redemption which has been designated by PIRET to the redeeming Unitholder. The taxation of capital gains and capital losses is described below.

The adjusted cost base of a Unit to a Unitholder generally will include all amounts paid by the Unitholder for the Unit, subject to certain adjustments. The cost to a Unitholder of additional Units received in lieu of a cash distribution of income (including net capital gains) will be the amount of income (including the applicable non-taxable portion of net capital gains) distributed by the issue of those respective Units. A consolidation of Units following a distribution paid in the form of additional Units of PIRET will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base of Units to the Unitholder. For the purpose of determining the

adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly acquired Unit must be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that acquisition.

Where Units are redeemed and the redemption price is paid by the delivery of Debt Securities to the redeeming Unitholder, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the Debt Securities so distributed less any income or capital gain realized by PIRET in connection with the redemption of those Units and designated by PIRET to the Unitholder. Where any income or capital gain realized by PIRET in connection with the distribution of Debt Securities on the redemption of Units has been designated by PIRET to a redeeming Unitholder, the Unitholder will be required to include in computing the Unitholder's income the income or taxable portion of the capital gain so designated. The redeeming Unitholder will be required to include in income interest on any Debt Securities acquired (including interest that accrued prior to the date of the acquisition of such Debt Securities by the Unitholder that is designated as income to the Unitholder by PIRET) in accordance with the provisions of the Tax Act. To the extent that the Unitholder is required to include in income any interest accrued to the date of the acquisition of Debt Securities by the Unitholder, an offsetting deduction may be available. The cost of any Debt Securities distributed by PIRET to a Unitholder upon a redemption of Units will be equal to the fair market value of those Debt Securities at the time of the distribution less any accrued interest on such Debt Securities. The Unitholder will thereafter be required to include in income interest on the Debt Securities, in accordance with the provisions of the Tax Act.

Where Units are redeemed and the redemption price is paid by the issuance to the redeeming Unitholder of Trust Notes, the proceeds of disposition to the Unitholder of Units will be equal to the fair market value of the Trust Notes issued. The cost of the Trust Notes issued to a Unitholder by PIRET upon redemption of Units will be equal to the fair market value of the Units disposed in exchange. The Unitholder will thereafter be required to include in computing income for purposes of the Tax Act interest on the Trust Notes, in accordance with the terms of such notes and the provisions of the Tax Act.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain realized by a Unitholder on a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by PIRET in respect of a Unitholder must be included in the Unitholder's income as a taxable capital gain in the taxation year in which the disposition occurs or in respect of which a net taxable capital gains designation is made by PIRET. One-half of any capital loss realized by a Unitholder on a disposition or deemed disposition of Units generally may be deducted by the Unitholder against taxable capital gains of the Unitholder in the year of disposition, and to the extent such losses exceed such gains, and against taxable capital gains of the Unitholder in the three preceding taxation years or in any subsequent taxation year in accordance with the provisions of the Tax Act.

A Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may also be liable to pay an additional refundable tax of 10-2/3% computed with reference to its "aggregate investment income" (as defined in the Tax Act) for the year, which includes amounts in respect of taxable capital gains, including taxable capital gains from designations by PIRET on income distributed by PIRET to Unitholders or from dispositions or deemed dispositions of Units by the Unitholder.

Alternative Minimum Tax

The Tax Act provides for a special "alternative minimum tax" applicable to certain taxpayers including individuals and certain trusts, depending on the amount of their "adjusted taxable income". In general terms, adjusted taxable income of a Unitholder who is an individual or a trust (and therefore the exposure of such Unitholder to liability for alternative minimum tax) must be increased by, among other things, any capital gains realized by such Unitholder on the disposition of Units and by any net income of PIRET that is paid or payable to such Unitholder and that has been designated as a taxable capital gain.

RISK FACTORS

There are certain risks inherent in an investment in the Units and in the activities of PIRET which investors should carefully consider before investing in the Units, including: public market risk, general risks associated with real property ownership, illiquidity of real estate investments, debt financing risk, competition for real property investments, the risk of underinsurance, environmental liability, restrictions on redemptions of Units, lack of availability of growth opportunities, reliance on a single tenant in the properties comprising the property portfolio, potential conflicts of interest, legal rights attaching to Units, failure to obtain additional financing, availability of cash for distribution, fluctuations in cash distributions, the impact of repayment of the Subordinated Notes on the availability of cash for distribution, risk in respect of the market price of Units, dilution, credit risk, the risk of PIRET's reliance on key personnel, limitations on non-resident ownership, risk factors relating to PIRET's tax status, and other tax related risk factors. These risks are described under the heading entitled "Risk Factors" in PIRET's 2016 AIF and the risks described in PIRET's management's and discussion and analysis for the year ended December 31, 2016, all of which are incorporated by reference in this Prospectus. If any of such or other risks occur, PIRET's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the described or other unforeseen risks.

Risks Related to the Offering

The Offering Price was established by negotiation among PIRET and the Underwriters with reference to the market price of the Units and other factors, and may not be indicative of the price at which the Units will trade following the completion of the Offering.

The market price for Units may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond PIRET's control, including the following: (i) actual or anticipated fluctuations in PIRET's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to PIRET; (iv) addition or departure of executive officers and other key personnel; (v) sales or perceived sales of additional Units; (vi) significant acquisitions or capital commitments by or involving PIRET or its competitors; and (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in PIRET's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Units may decline even if PIRET's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of PIRET's economic, environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Units by those institutions, which could materially adversely affect the trading price of the Units. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, PIRET's operations could be materially adversely impacted and the trading price of the Units may be materially adversely affected. Unitholders may be negatively impacted by the dilutive effects of this Offering.

Completion of Properties Under Contract

The closing of the Richmond Acquisition and the Pending Acquisitions is expected to occur subsequent to the date of this Prospectus Supplement. See "Recent Developments – Properties Under Contract" for expected closing date. There can be no assurance that PIRET will complete any or all of the acquisitions of such properties on the basis described herein or on the expected closing dates, or at all. If PIRET does not complete such acquisitions or any part thereof and this Offering is completed, PIRET will possess substantial unutilized acquisition capacity, which will cause its financial performance to be negatively impacted until suitable properties are identified for acquisition and

such acquisitions are completed. There is no assurance that such suitable investments will be available to PIRET in the near future or at all.

Access to Capital

The real estate industry is highly capital intensive. PIRET will require access to capital to maintain its properties, to complete development and expansion projects, as well as, to fund its growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms. PIRET's access to capital and cost of capital will be subject to a number of factors, including general market conditions; the market's perception of PIRET's growth potential; PIRET's current and expected future earnings; PIRET's cash flow and cash distributions; and the market price of the Units. If PIRET is unable to obtain sources of capital, it may not be able to acquire or develop assets, or pursue the development or expansion of properties when strategic opportunities arise.

The Units involve a certain degree of risk. Any person considering the purchase of Units should be aware of the risk factors inherent in an investment in the Units and other factors set forth in the Prospectus, PIRET's 2016 AIF and PIRET's management's and discussion and analysis for the year ended December 31, 2016 and for the three month period ended March 31, 2017, and should consult with their legal, tax and financial advisors prior to making an investment in the Units. The Units should only be purchased by persons who can afford to lose all of their investment.

LEGAL PROCEEDINGS

PIRET, its Trustees and management are not aware of any legal proceedings of a material nature to which PIRET or any of its subsidiaries is a party or of which any of its property is the subject matter, nor are any such proceedings known to be contemplated.

AUDITORS

PIRET's auditors are KPMG LLP of 777 Dunsmuir Street, Vancouver, British Columbia V7Y 1K3. KPMG LLP is independent of the Trust in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

REGISTRAR AND TRANSFER AGENT

The transfer agent and registrar for the Units is Computershare Investor Services Inc. at its principal transfer offices in Vancouver, British Columbia and Toronto, Ontario.

Registration and transfers of Units will be effected only through the book-entry only system administered by CDS. A purchaser of Units will receive only customer confirmation from the registered dealer which is a CDS participant and from or through which Units are purchased. See "Plan of Distribution".

MATERIAL CONTRACTS

The only material contract to be entered into by PIRET in respect of this Offering is the Underwriting Agreement referred to under "Plan of Distribution". A copy of this agreement is available for inspection during regular business hours at the offices of PIRET, located at 910 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, while this Offering is in progress, and for a period of 30 days thereafter. A copy of the Underwriting Agreement is also available electronically at www.sedar.com.

EXPERTS

No professional person providing an opinion in this Prospectus expects to be elected, appointed or employed as a director, senior officer or employee of PIRET, or of an associate of PIRET, or is a promoter of, or of any associate of, PIRET.

Certain legal matters in connection with this Offering will be passed upon by Clark Wilson LLP, on behalf of PIRET, and by McMillan LLP, on behalf of the Underwriters. As at July 26, 2017, partners and associates of Clark Wilson LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of PIRET and its associates and affiliates. As at July 26, 2017, partners and associates of McMillan LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of PIRET and its associates and affiliates.

KPMG LLP, in its capacity as tax advisor to PIRET, and McMillan LLP, counsel to the Underwriters, have jointly prepared the summary of principal Canadian tax considerations set out under the heading “Canadian Federal Income Tax Considerations”. As at July 26, 2017, KPMG LLP did not own beneficially, directly or indirectly, any outstanding securities of PIRET and its associates and affiliates.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation in several Canadian provinces and territories further provides a purchaser with remedies for rescission, or in some jurisdictions damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territories of residence. A purchaser of the Units hereunder should refer to the securities legislation of any applicable provinces or territories in which the purchaser resides for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE UNDERWRITERS

DATED: July 27, 2017

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 and territories of Canada.

BMO NESBITT BURNS INC.

Per: (Signed) Onorio Lucchese

RBC DOMINION SECURITIES INC.

Per: (Signed) William Wong

CIBC WORLD MARKETS INC.

Per: (Signed) Jeff Appleby

SCOTIA CAPITAL INC.

Per: (Signed) Justin Bosa

NATIONAL BANK FINANCIAL INC.

Per: (Signed) Andrew Wallace

CANACCORD GENUITY CORP.

Per: (Signed) Dan Sheremeto

DESJARDINS SECURITIES INC.

Per: (Signed) Mark Edwards

TD SECURITIES INC.

Per: (Signed) Derek Dermott

RAYMOND JAMES LTD.

Per: (Signed) Lucas Atkins

GMP SECURITIES L.P.

Per: (Signed) Andrew Kiguel

EIGHT CAPITAL

Per: (Signed) John Esteireiro

INDUSTRIAL ALLIANCE SECURITIES INC.

Per: (Signed) Vilma Jones