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GRANITE REIT ANNOUNCES SALE OF ITS TWO U.S. SPECIAL PURPOSE PROPERTIES TO MAGNA

July 30, 2018, Toronto, Ontario, Canada – Granite Real Estate Investment Trust (“Granite”) (TSX: GRT.UN / NYSE: GRP.U) announced today that subsidiaries of Magna International Inc. (“Magna”) have exercised their rights of first refusal in response to a third party offer to acquire Granite’s two remaining special purpose properties in the United States for a total purchase price of approximately US\$207 million (the “Transactions”). The properties are located in Piedmont, South Carolina and Clinton, Tennessee and together represent approximately 1.6 million square feet and generate net operating income of approximately US\$14.2 million, which represents an implied capitalization rate of 6.9%. Completion of the Transactions is subject to customary closing conditions and is expected to occur later in the third quarter of 2018.

Michael Forsayeth, Granite’s CEO, commented that “The sale to Magna of these special purpose properties is another significant strategic step forward for Granite. The Transactions will further reduce Granite’s exposure to Magna and the special purpose properties which are key strategic objectives for Granite. Pro forma the Transactions will reduce Granite’s Magna concentration to 49% based on gross leasable area.”

ABOUT GRANITE

Granite is a Canadian-based REIT engaged in the acquisition, development, ownership and management of predominantly industrial, warehouse and logistics properties in North America and Europe. Granite owns 90 rental income properties representing approximately 34 million square feet of leasable area. Through the thoughtful deployment of its balance sheet and selective dispositions, Granite is continuing to build a high quality, globally diversified industrial real estate business.

OTHER INFORMATION

Copies of financial data and other publicly filed documents about Granite are available through the internet on the Canadian Securities Administrators’ Systems for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com and on the United States Securities and Exchange Commission’s Electronic Data Gathering, Analysis and Retrieval System (EDGAR) which can be accessed at www.sec.gov. For further information, please see our website at www.granitereit.com or contact Michael Forsayeth, Chief Executive Officer, at 647-925-7600 or Ilias Konstantopoulos, Chief Financial Officer, at 647-925-7540.

FORWARD LOOKING STATEMENTS

This press release may contain statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation, including the *United States Securities Act* of 1933, as amended, the *United States Securities Exchange Act* of 1934, as amended, and applicable Canadian securities legislation. Forward-looking statements and forward-looking information may include, among others, statements regarding the expected timing of closing of the Transactions, the impact of the Transactions on Granite’s

concentration of Magna-tenanted properties; and Granite's plans, goals, strategies, intentions, beliefs, estimates, costs, objectives, economic performance, expectations, or foresight or the assumptions underlying any of the foregoing. Words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "seek" and similar expressions are used to identify forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information should not be read as guarantees of the closing of the Transactions on the terms and conditions described herein, the expected impact of the Transactions as described herein, or other events, performance or results and will not necessarily be accurate indications of whether or the times at or by which such closing of the Transactions, impact of the Transactions, or other events or performance will be achieved. Undue reliance should not be placed on such statements. Forward-looking statements and forward-looking information are based on information available at the time and/or management's good faith assumptions and analyses made in light of its perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances, and are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond Granite's control, that could cause actual events or results to differ materially from such forward-looking statements and forward-looking information. Important factors that could cause such differences include, but are not limited to, the risks set forth in the annual information form of Granite REIT and Granite GP dated March 1, 2018 (the "Annual Information Form"). The "Risk Factors" section of the Annual Information Form also contains information about the material factors or assumptions underlying such forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information speak only as of the date the statements and information were made and unless otherwise required by applicable securities laws, Granite expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking statements or forward-looking information contained in this press release to reflect subsequent information, events or circumstances or otherwise.