

INOVALIS

REAL ESTATE INVESTMENT TRUST

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INOVALIS REAL ESTATE INVESTMENT TRUST ANNOUNCES COMPLETION OF A PREVIOUSLY ANNOUNCED ACQUISITION OF AN OFFICE PROPERTY IN GERMANY WITH JOINT-VENTURE PARTNER

Toronto, Ontario, December 3, 2015 – Inovalis Real Estate Investment Trust (the “**REIT**”) (TSX: INO.UN) announced today that it completed the acquisition, on a joint-venture basis with Eurovalys SCPI, holding respectively 49% and 51%, of an office property (the “**Property**”) located in Cologne, Germany.

The property enjoys a strategic location close to the main highways and public transportation in Cologne, Germany’s fourth largest city. Cologne is part of the urban area including Leverkusen and Bonn, at the very heart of Europe’s most productive economical region. The region hosts more than 3 millions inhabitants and 150 000 companies.

The property, completed in 2015, is a five-storey office building providing 65,530 square feet of leasable area and 111 parking spaces. It is fully let to French technology and energy company Cofely GDF Suez on a long term lease until 2025 with no break option.

The REIT and Eurovalys SCPI have acquired the property at a going-in cap rate of 5.0% for an all-in-cost of approximately €22.7 million (C\$ 32.2 million). Eurovalys SCPI is a European non-listed REIT fund managed by Advenis Investment Managers, subsidiary of Advenis.

Following the acquisition of the Property, the French properties and the German properties will represent 79% and 21% respectively of Inovalis REIT next twelve months rental income.

David Giraud, Chief Executive Officer of Inovalis REIT’s, commented: *“This acquisition is a brand new property in a well located and stable market that will further strengthen the quality of Inovalis REIT’s portfolio. This property is the tenth acquisition by the REIT since its inception and the fourth being completed on a partnership basis. In the context of historically low interest rates in Europe, we continue to see similar investment opportunities in the REIT’s targeted European markets, and we will keep on doing our best to capture them in our Unitholders’ best interest”*.

All amounts have been converted to Canadian dollars (C\$) using an exchange rate of 1.42 C\$ per €.



About Inovalis Real Estate Investment Trust

Inovalis Real Estate Investment Trust is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. The REIT has been created for the purpose of acquiring and owning office properties primarily located in France and Germany but also opportunistically in other European countries where assets meet the REIT's investment criteria. The REIT currently owns an interest in ten office properties in France and Germany, comprising approximately 1,004,000 square feet of gross leasable area (taking into account the interests in the properties owned in joint-ventures).

Forward-Looking Information

This news release contains forward-looking statements which reflect the REIT's current expectations regarding future events. The forward-looking statements involve risks and uncertainties, including those set forth in the REIT's initial public offering prospectus dated March 28, 2013 and in the REIT's short form prospectus dated October 30, 2014 under the section "Risk Factors" a copy of which can be obtained at www.sedar.com. Actual results could differ materially from those projected herein. The REIT disclaims any obligation to update these forward-looking statements.

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