

EUROPEAN COMMERCIAL REIT COMPLETES HIGHLY ACCRETIVE ACQUISITION IN BELGIUM

Toronto, Ontario (August 17, 2017) European Commercial Real Estate Investment Trust (“EC-REIT”) (TSXV: ERE.UN) announced today that it has completed the previously-announced acquisition of a 168,993 square foot (15,700 square meter) high quality office property in the central business district of Brussels, Belgium. EC-REIT paid approximately €40.7 million for the property, excluding acquisition costs and land transfer taxes. The purchase was funded with proceeds from EC-REIT’s recently completed \$35.0 million equity offering and a new approximately 7.5-year €25.5 million mortgage bearing an interest rate of approximately 1.9%.

The property is 100% occupied by Fédération Wallonie-Bruxelles, a Belgian government agency with an investment grade credit rating under a lease with a remaining term of approximately 7.5 years and contractual indexed rent increases.

This modern attractive building was constructed in 2005 for the tenant and is well-located adjacent to the Brussels downtown city centre and close to major streets, shopping and a popular canal area.

With the completion of this transaction, EC-REIT owns a portfolio of three high-quality and stable income-producing commercial properties strategically situated in key locations in Germany and Belgium totaling 398,447 square feet (37,017 square meters) with occupancy at 99.9% and a weighted average lease term of approximately 7.5 years. The portfolio includes contractual indexed rent increases with minimal near-term lease rollovers, adding to the stability, sustainability and growth of EC-REIT’s cash flows and Unitholder cash distributions.

“We are very pleased to be adding this property to our growing portfolio, further strengthening and diversifying our asset base both geographically and by tenant,” commented Phillip Burns, Chief Executive Officer of EC-REIT. “Most importantly, the acquisition will be immediately accretive, growing our total rental income by more than 120% and increasing our adjusted funds from operations per unit of EC-REIT by over 30%.”

“Looking ahead, we continue to evaluate further accretive growth opportunities in our targeted European markets and remain confident of delivering on our strategy to build Unitholder value over the long term,” Mr. Burns concluded.

About European Commercial Real Estate Investment Trust

EC-REIT is an unincorporated, open-ended real estate investment trust focused on aggregating a bespoke portfolio of high-quality, non-prime core commercial real estate assets in key European markets with strong fundamentals. EC-REIT’s strategy is designed primarily to deliver long-term, secure income with additional potential for capital appreciation. EC-REIT intends to grow by acquiring additional assets consistent with its strategy and which are expected to be accretive, on a per Unit basis, to its earnings. EC-REIT’s Units are listed on the TSXV under the symbol ERE.UN.

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The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although EC-REIT believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, EC-REIT disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

EC-REIT uses financial measures regarding itself, such as adjusted funds from operations, that do not have standardized meaning under the International Financial Reporting Standards ("IFRS") and may not be comparable to similar measures presented by other entities ("non-IFRS measures"). Further information relating to non-IFRS measures, is set out in EC-REIT's final short form prospectus dated July 18, 2017 under the heading "Non-IFRS Measures" and "Non-IFRS Reconciliation".

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