SMARTCENTRES
REAL ESTATE INVESTMENT TRUST

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SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES FOURTH QUARTER AND YEAR END RESULTS FOR 2020

- **Second consecutive quarter that mixed-use development has contributed to FFO – $16 million in the 4th quarter and a total of $45.2 million in the 2nd half of 2020**
- **Shopping centre portfolio continues to provide recurring income with a committed occupancy rate of 97.3%**
- **Development plans now include 284 identified mixed-use projects**
- **SmartCentres has been in direct dialogue with Federal and Provincial governments – offering to donate space to act as inoculation centres to help accelerate the roll out of the vaccination process for Canadians**

TORONTO, ONTARIO - (February 10, 2021) SmartCentres Real Estate Investment Trust (“SmartCentres” or the “Trust”) (TSX: SRU.UN) is pleased to report its financial and operating results for the fourth quarter and year ended December 31, 2020.

“We ended 2020 with a strong quarter despite challenging conditions,” said Mitchell Goldhar, Executive Chairman of SmartCentres. “Our unique national retail portfolio continues to provide recurring income and for the second consecutive quarter, our mixed-use development program has generated FFO, contributing over $45 million of FFO in the second half. We are well positioned to grow both FFO and NAV for years to come. We have also maintained a solid balance sheet with our debt to total assets at 44.6% and an interest coverage multiple of 3.2X and we ended 2020 with an 87.2% payout ratio While we are always exploring possible acquisitions, we will only pursue same where accretive to our cost of capital. With respect to the pandemic, helping Canadians will always be a priority, in this regard we have been in direct dialogue with federal and provincial authorities offering to donate to them the use of space in our properties to assist with the acceleration of the vaccination process”, added Mr. Goldhar.

“Retail and mixed-use are now providing two significant sources of revenue.” said Peter Forde, President and CEO. “On the retail side, we have approximately 33.8 million square feet of predominately Walmart-anchored shopping centres. They have performed extremely well and have continued to drive high traffic levels to our open format centres. We also are working with our tenants to allow some relief where required as Canadians get back to normalcy. In Q4, our overall committed occupancy level remained at an industry leading level of 97.3%. We are very focused on growing our mixed-use development platform and now have some 284 projects identified for our pipeline, the majority of which will provide recurring income. SmartVMC in Vaughan, like many of our properties in Canada, is a good example of our ‘shopping centres to city centres’ transformation. We understand how to build entire city centres and have more in the planning stages at major centres across Canada.”

The Trust has continued to work with each of its tenants to establish, where appropriate, mutually satisfactory arrangements that will allow for some relief of their rental obligations. These collaborative efforts have resulted in the following improving collection experience over the last nine months:

Month(1)	% of Gross Monthly Billings Collected Before Application of CECRA Related Arrangements(2)	% of Gross Monthly Billings Collected After Application of CECRA Related Arrangements(2)
April	76.9	83.5
May	77.5	84.0
June	80.8	87.3
July	86.0	92.5
August	89.4	96.0
September(2)	89.5	96.1
October	95.1	95.1
November	94.9	94.9
December	93.4	93.4

(1) Represents the Trust's collection experience up to January 25, 2021.
(2) The CECRA program ended on September 30, 2020.

As of February 3, 2021, the Trust has collected 90.0% of gross monthly billings for the month of January 2021.

The table below provides additional details on the continued improvement in collections associated with the Trust's tenant billings, amounts received, expected recovery and related provisions for the three months and nine months ended December 31, 2020.

(in thousands of dollars)	Three Months Ended December 31, 2020	As a %	Nine Months Ended December 31, 2020	As a %
Total tenant billings	198,901	100.0	597,349	100.0
Less: Amounts received directly from tenants to date	187,850	94.4	519,919	87.0
Balance outstanding	11,051	5.6	77,430	13.0
Less:				
Recovery from governments for CECRA	—	—	15,412	2.6
Amounts forgiven by the Trust for CECRA	—	—	7,706	1.3
Sales tax on CECRA	—	—	2,976	0.5
Tenant rent deferral arrangements agreed	544	0.3	7,664	1.3
Tenant rent deferral arrangements under negotiation	—	—	15,829	2.6
Rents to be collected before expected credit loss ("ECL") provision	10,507	5.3	27,843	4.7
Less: ECL provision	5,235	2.6	15,319	2.6
Balance to be collected	5,272	2.7	12,524	2.1

Highlights

Mixed-Use Development and Intensification at SmartVMC

- Occupancy of both 55-storey Transit City 1 and 2 condo towers representing 1,110 residential units is complete, with substantially all units closed by year-end. These closings contributed approximately $45.2 million in FFO (approximately $0.26 in FFO per unit) for the second half of 2020.[(2)] In addition, the 1,098 unit multi-level parking facility providing parking for both these condominium buildings and the neighbouring PwC/YMCA mixed-use facility is now fully functional.

- Construction of the 55-storey Transit City 3 condo tower representing 631 residential units continues to be ahead of schedule and ahead of budget. The tower is topped-off, cranes have been dismantled, and closings are expected to commence in spring 2021.

- Construction is well underway on Transit City 4 (45 storeys) and 5 (50 storeys) condo towers, representing 1,026 sold residential units, with bulk excavation complete and tower cranes erected. Concrete and formwork for the multi-level underground parking garage is in progress and approaching ground level.

- Construction is well underway on a 35-storey, 454-unit purpose-built residential rental building at SmartVMC, with the tower crane erected and concrete and formwork for the multi-level underground parking garage in progress and approaching ground level.

- Construction of the new Walmart store is complete, with Walmart's grand opening having taken place on October 22, 2020, allowing for the closing of the store that was located on the SmartVMC site, and freeing up approximately 15.5 acres of valuable land for future mixed-use development close to the TTC subway station.

- Pre-sold 100% of the 22 townhomes, as part of the Transit City 1 & 2 project, for which construction has commenced and delivery of units is expected in late 2021.

- Preparing for the launch of the next phase of high-rise development.

Other Business Development

- The completed first phase of the two-phase, purpose-built residential rental project in Laval, Quebec, which had initial occupancy by tenants commencing in March 2020 and, to date, approximately 80% of the 171-unit building has been leased. Construction of the next phase is expected to commence in early 2021.

- The Trust completed construction of its first three self-storage facilities in Toronto (Leaside), Brampton, and Vaughan NW, each of which has been very well received by the local communities, with current occupancy levels ahead of expectations.

- Based on planning and rezoning work completed to date, the Trust expects to commence construction of a new retirement home early in 2021 with its joint venture partner Selection Group in Ottawa.

- Two additional self-storage facilities in Oshawa and Scarborough are currently under construction and are expected to be completed in 2021. Additional self-storage facilities have been approved by the Board and the Trust is in the process of obtaining municipal approvals in Aurora, Whitby, Markham and an additional location in Brampton.

- With the recently issued Minister's Zoning Order, the Trust has commenced the redevelopment of its 73-acre Cambridge retail property with various forms of residential, retail, office, institutional, and commercial uses to create a complete vibrant urban community representing over 12.0 million square feet.

- During the COVID-19 pandemic, the Trust has been aggressively pursuing final municipal approvals for mixed-use density on many of its shopping centres.

Financial

- The Trust further improved its unsecured/secured debt ratio to 68%/32% (December 31, 2019 – 63%/37%), as it repaid $120.9 million of secured debt and other debt, and $474.4 million of unsecured debt and credit facilities during 2020.

- The Trust continues to add to its unencumbered pool of high-quality assets. As at December 31, 2020, this unencumbered portfolio consisted of income properties valued at $5.8 billion (December 31, 2019 – $5.7 billion).

- In June 2020, the Trust issued $300.0 million aggregate principal amount of 3.192% Series V 7-year senior unsecured debentures and $300.0 million aggregate principal amount of 3.648% Series W 10.5-year senior unsecured debentures.

- In December 2020, the Trust issued $350.0 million of 1.740% Series X 5-year senior unsecured debentures and $300.0 million of 2.307% Series Y 8-year senior unsecured debentures.

- In December 2020, the Trust repaid the $250.0 million aggregate principal of Series R senior unsecured debentures upon their maturity. The repayment was funded by the proceeds from the issuances of Series V and Series W senior unsecured debentures in June 2020.

- In December 2020, the Trust announced the redemption of 3.730% Series M senior unsecured debentures and 2.876% Series Q senior unsecured debentures, in aggregate principal amounts of $150.0 million and $150.0 million, respectively. The redemptions were settled in January 2021. The redemptions were funded by the proceeds from the issuance of Series X and Series Y senior unsecured debentures in December 2020.

- Debt metrics continue to demonstrate the Trust's commitment to its balance sheet, including Debt to Total Assets of 44.6%, Interest Coverage multiple of 3.2X, Interest Coverage net of capitalized interest multiple of 3.7X, and Adjusted Debt to Adjusted EBITDA multiple of 8.5X.(2)(3)

- Net income and comprehensive income was $89.9 million as compared to $374.2 million in the same period in 2019, representing a decrease of $284.3 million. This decrease was primarily attributed to the fair value adjustment on the revaluation of investment properties of $275.1 million, principally resulting from the impact of the COVID-19 pandemic during 2020.(1)

- FFO increased by $2.5 million or 0.7% to $368.0 million, which was primarily due to the Trust's share of profit on the closings of Transit City 1 and 2, partially offset by COVID-19 related expected credit loss provisions.

- ACFO with one-time adjustment increased by $10.2 million or 2.9% to $365.4 million as compared to the same period in 2019, primarily due to the Trust' share of profit on the closings of Transit City 1 and 2, partially offset by COVID-19 related expected credit loss provisions.(2)

- ACFO with one-time adjustment exceeded both distributions declared and distributions paid by $46.6 million and $67.5 million respectively (2019 - $44.5 million and $116.0 million, respectively). The change is primarily due to the Trust's share of profit on the closings of Transit City 1 and 2, partially offset by COVID-19-related expected credit loss provisions and their associated impact on the Trust's cashflows from operations. Note also that the Trust suspended its dividend reinvestment plan in April 2020.(2)

- The Payout Ratio relating to ACFO with one-time adjustment for the year ended December 31, 2020 decreased by 0.3% to 87.2% as compared to 87.5% for 2019.

Operational

- Occupancy rates, both committed and in-place, were 97.3% and 97.0%, respectively, as at December 31, 2020.

- Rentals from investment properties and other was $781.3 million, as compared to $806.4 million in the same period in 2019, representing a decrease of $25.1 million or 3.1%. This decrease was primarily due to lower: i) percentage rent, ii) short-term rental revenue, iii) parking and other miscellaneous revenues, and iv) lower recoverable costs, all resulting from the COVID-19 pandemic.

- Same Properties NOI for the year ended December 31, 2020 decreased by $35.3 million or 6.9% as compared to 2019. This decrease was primarily due to an increase in expected credit losses recorded for the year ended December 31, 2020 as a result of the COVID-19 pandemic. Excluding the expected credit losses of $30.8 million recorded in the year ended December 31, 2020, Same Properties NOI would have been $504.7 million representing a decrease of $5.5 million or 1.1% as compared to 2019.(2)

Subsequent Events

In January 2021, the Trust redeemed $150.0 million aggregate principal of 3.73% Series M senior unsecured debentures and $150.0 million aggregate principal of 2.876% Series Q senior unsecured debentures. The redemptions were funded from proceeds raised from the issuance of Series X and Series Y senior unsecured debentures.

In January 2021, the Trust granted 900,000 Performance Units to Mitchell Goldhar through the Equity Incentive Plan ("EIP"), subject to the achievement of Unit price thresholds. The performance period for the EIP is from January 1, 2021 to December 31, 2027. Distributions on Performance Units will accumulate from January 1, 2021, and they and the Performance Units vest for the lesser of three years after they are earned or on December 31, 2027. Performance Units will be exchanged for Trust Units or paid out in cash (see also Note 21, "Related party transactions", in the Trust's consolidated financial statements for the year ended December 31, 2020).

On February 2, 2021, the Trust entered into a total return swap agreement for up to 6.5 million Trust Units with a notional value of approximately $156.0 million for a 48-month period, which, subject to certain conditions, may be unwound prior to its maturity, either in whole or in part. The counterparty to this swap agreement is a highly rated Canadian financial institution.

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure.
(3) Net of cash-on-hand of $754.4 million as at December 31, 2020 for the purposes of calculating the ratio.

Selected Consolidated Operational, Development and Financial Information

Key consolidated operational, mixed-use development and financial information shown in the table below includes the Trust's proportionate share of equity accounted investments:

(in thousands of dollars, except per Unit and other non-financial data)	**December 31, 2020**	December 31, 2019	December 31, 2018
Operational Information			
Total number of properties with an ownership interest	**167**	165	164
Gross leasable area including both retail and office space (in thousands of sq. ft.)	**34,056**	34,337	34,379
Occupied area including both retail and office space (in thousands of sq. ft.)	**33,039**	33,678	33,695
Vacant area including both retail and office space (in thousands of sq. ft.)	**1,017**	659	684
Committed occupancy rate (%)	**97.3**	98.2	98.1
In-place occupancy rate (%)	**97.0**	98.1	98.0
Average lease term to maturity (in years)	**4.6**	4.9	5.4
Net retail rental rate (per occupied sq. ft.) ($)	**15.37**	15.49	15.31
Net retail rental rate excluding Anchors (per occupied sq. ft.) ($)	**21.89**	22.13	21.77
Mixed-use Development Information			
Future development area (in thousands of sq. ft.)	**32,500**	27,900	N/A(5)
Total number of future projects currently in development planning stage	**284**	256	N/A(5)
Trust's share of estimated costs of future projects currently under construction, or for which construction is expected to commence within the next 5 years	**7,900,000**	5,500,000	N/A(5)
Financial Information			
Investment properties(2)(3)	**9,400,584**	9,466,501	9,155,175
Total assets(1)	**10,724,492**	9,928,467	9,459,632
Total unencumbered assets(2)	**5,835,600**	5,696,100	4,250,800
Debt(2)(3)	**5,261,360**	4,290,826	4,236,364
Debt to Aggregate Assets (%)(2)(3)(4)	**44.6**	42.3	43.9
Debt to Gross Book Value (%)(2)(3)(4)	**50.1**	49.0	51.1
Unsecured to Secured Debt Ratio(2)(3)(4)	**68%/32%**	63%/37%	48%/52%
Unencumbered assets to unsecured debt(2)(3)(4)	**1.9X**	2.1X	2.1X
Weighted average interest rate (%)(2)(3)	**3.28**	3.55	3.73
Weighted average term of debt (in years)	**5.0**	5.0	4.9
Interest Coverage Ratio(2)(3)(4)	**3.2X**	3.5X	3.3X
Interest coverage (net of capitalized interest expense)(2)(3)(4)	**3.7X**	4.0X	3.8X
Adjusted Debt to Adjusted EBITDA (net of cash)(2)(3)(4)	**8.5X**	8.0X	8.2X
Equity (book value)(1)	**5,166,975**	5,367,752	5,008,331
Weighted average number of units outstanding – diluted	**172,971,603**	170,581,531	161,507,550

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable.
(3) Includes the Trust's proportionate share of equity accounted investments.
(4) As at December 31, 2020, cash-on-hand of $754.4 million was excluded for the purposes of calculating the applicable ratios (December 31, 2019 – $37.0 million).
(5) N/A – information not available.

Year-to-Date Comparison to Prior Year

The following table presents key financial, per Unit, and payout ratio information for the years ended December 31, 2020 and December 31, 2019:

(in thousands of dollars, except per Unit information)	**2020**	2019	Variance
	(A)	(B)	(A–B)
Financial Information			
Rentals from investment properties and other[1]	**781,253**	806,412	(25,159)
Net base rent	**496,135**	505,458	(9,323)
Total recoveries	**263,802**	272,380	(8,578)
Net income and comprehensive income[1][3]	**89,940**	374,203	(284,263)
Net income and comprehensive income excluding fair value adjustments[2][3]	**337,863**	341,963	(4,100)
Cash flows provided by operating activities[1]	**295,982**	345,611	(49,629)
NOI[2]	**519,105**	514,050	5,055
FFO[2][3][4][5]	**367,967**	365,456	2,511
FFO with one-time adjustment of yield maintenance costs[2][3][4][5]	**379,921**	385,969	(6,048)
FFO with one-time adjustment and Transactional FFO[2][3][4][5]	**380,665**	388,787	(8,122)
ACFO[2][3][4][5]	**353,409**	334,647	18,762
ACFO with one-time adjustment[2][3][4][5]	**365,363**	355,160	10,203
Distributions declared	**318,758**	310,651	8,107
Surplus of ACFO over distributions declared[2]	**34,651**	23,996	10,655
Surplus (shortfall) of ACFO with one-time adjustment over distributions declared[2]	**46,605**	44,509	2,096
Surplus of ACFO over distributions paid[2]	**55,536**	95,536	(40,000)
Surplus of ACFO with one-time adjustment over distributions paid[2]	**67,490**	116,049	(48,559)
Units outstanding[6]	**172,221,212**	171,283,191	938,021
Weighted average – basic	**171,973,301**	169,709,748	2,263,553
Weighted average – diluted[7]	**172,971,603**	170,581,531	2,390,072
Per Unit Information (Basic/Diluted)			
Net income and comprehensive income[1]	**$0.52/$0.52**	$2.20/$2.19	-$1.68/-$1.67
Net income and comprehensive income excluding fair value adjustments[2][3]	**$1.96/$1.95**	$2.01/$2.00	-$0.05/-$0.05
FFO[2][3][4][5]	**$2.14/$2.13**	$2.15/$2.14	-$0.01/-$0.01
FFO with one-time adjustment of yield maintenance costs[2][3][4][5]	**$2.21/$2.20**	$2.27/$2.26	-$0.06/-$0.06
FFO with one-time adjustment and Transactional FFO[2][3][4][5]	**$2.21/$2.20**	$2.29/$2.28	-$0.08/-$0.08
(For net income per Unit and FFO per Unit as noted above, COVID-19 and its related unique adverse impact represents approximately $0.31 per Unit in year-over-year performance - see "Results of Operations" and "Other Measures of Performance" in the MD&A for additional details)			
Distributions declared	**$1.850**	$1.813	$0.037
Payout Ratio Information			
Payout ratio to FFO[2][3][4][5]	**86.6 %**	85.0 %	1.6 %
Payout ratio to FFO with one-time adjustment of yield maintenance costs[2][3][4][5]	**83.9 %**	80.5 %	3.4 %
Payout ratio to FFO with one-time adjustment and Transactional FFO[2][3][4][5]	**83.7 %**	79.9 %	3.8 %
Payout ratio to ACFO[2][3][4][5]	**90.2 %**	92.8 %	(2.6)%
Payout ratio to ACFO with one-time adjustment[2][3][4][5]	**87.2 %**	87.5 %	(0.3)%

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable.
(3) Includes the Trust's proportionate share of equity accounted investments.
(4) See "Other Measures of Performance" in the Management's Discussion and Analysis of the Trust for the year ended December 31, 2020 for a reconciliation of these measures to the nearest consolidated financial statement measure.
(5) The calculation of the Trust's FFO and ACFO and related payout ratios, including comparative amounts, are financial metrics that were determined based on the February 2019 REALpac White Paper on FFO and ACFO, respectively. Comparison with other reporting issuers may not be appropriate. The payout ratio to FFO and the payout ratio to ACFO are calculated as declared distributions divided by FFO and ACFO, respectively.

(6) Total Units outstanding include Trust Units and LP Units, including Units classified as liabilities. LP Units classified as equity in the consolidated financial statements are presented as non-controlling interests.
(7) The diluted weighted average includes the vested portion of the deferred units issued pursuant to the deferred unit plan.

Operational Highlights

For the three months ended December 31, 2020, net income and comprehensive income decreased by $55.2 million or 53.3% as compared to the same period in 2019. This decrease was primarily attributed to the following:

- $32.5 million increase in unfavourable fair value adjustments on revaluation of investment properties principally due to changes in leasing and cash flow assumptions such as rental rates, lease renewal rates, leasing costs, downtime on lease expiries, vacancy allowance, among others, to reflect the impact of the COVID-19 pandemic;
- $21.8 million increase in unfavourable fair value adjustment on financial instruments principally due to the fluctuation in the Trust's Unit price;
- $5.5 million net increase in interest expense which is primarily a result of both uncertainty in the capital markets and the Trust's resulting preemptive decision to issue new debentures in June 2020, and lower capitalized interest on development projects; and
- $3.1 million increase in general and administrative expenses (net);

Partially offset by the following:

- $5.6 million increase in NOI;
- $1.1 million decrease in supplemental costs;
- $1.0 million increase in interest income, which was primarily due to an increase in bank interest as a result of the increase in cash and cash equivalents; and
- $0.1 million decrease in acquisition-related costs.

For the year ended December 31, 2020, net income and comprehensive income decreased by $284.3 million or 76.0% as compared to the same period last year. This decrease was primarily attributed to the following:

- $299.2 million increase in unfavourable fair value adjustments on revaluation of investment properties principally due to changes in leasing and cash flow assumptions such as rental rates, lease renewal rates, leasing costs, downtime on lease expiries, vacancy allowance, among others, to reflect the impact of the COVID-19 pandemic;
- $8.2 million increase in general and administrative expenses (net);
- $4.2 million net increase in interest expense;
- $2.1 million increase in acquisition-related costs; and
- $0.2 million decrease in gain on sale of investment properties;

Partially offset by the following:

- $19.0 million increase in favourable fair value adjustment on financial instruments principally due to the fluctuation in the Trust's Unit price as compared to the same period in 2019;
- $5.1 million increase in NOI;
- $4.3 million increase in interest income which was principally due to the increase in average interest-bearing loan receivable balance and cash and cash equivalents; and
- $1.2 million decrease in supplemental costs.

FFO Highlights

For the three months ended December 31, 2020, FFO decreased by $1.4 million or 1.5% to $86.7 million. This decrease was primarily attributed to:

- $5.5 million net increase in interest expense, which was primarily due to a higher debt level; and
- $3.1 million increase in net general and administrative expense;

Partially offset by:

- $5.6 million increase in NOI, which was primarily due to Transit City 1 and 2 units closings (see further details in “Net Operating Income”);
- $1.0 million increase in interest income which was primarily due to an increase in bank interest as a result of the increase in cash and cash equivalents as compared to the same period in 2019;
- $0.6 million net increase in FFO add back for indirect interest incurred in respect of equity accounted development projects which was primarily due to the development property acquisitions completed, tenant improvement allowance and others.

For the year ended December 31, 2020, FFO increased by $2.5 million or 0.7% to $368.0 million. This increase was primarily attributed to:

- $5.1 million increase in NOI, which was primarily due to Transit City 1 and 2 units closings (see further details in “Net Operating Income”);
- $4.7 million increase in add-back for indirect interest incurred in respect of equity accounted development projects which was primarily due to the development property acquisitions completed;
- $4.3 million increase in interest income which was primarily due to an increase in bank interest as a result of the increase in cash and cash equivalents as compared to the same period in 2019; and
- $0.8 million increase in FFO add back for salaries and related costs attributed to leasing activities and distributions on Units classified as liabilities;

Partially offset by:

- $8.2 million increase in net general and administrative expense; and
- $4.2 million net increase in interest expense, which was primarily due to a higher debt level.

ACFO Highlights

For the three months ended December 31, 2020, ACFO with one-time adjustment increased by $5.8 million or 6.5% to $95.9 million compared to the same period in 2019, which was primarily due to the items previously identified.

The Payout Ratio relating to ACFO with one-time adjustment for the three months ended December 31, 2020 decreased to 83.1% as compared to the same period in 2019, which was primarily due to the other items previously identified.

For the year ended December 31, 2020, ACFO with one-time adjustment increased by $10.2 million or 2.9% to $365.4 million compared to the same period in 2019, which was primarily due to the items previously identified.

The Payout Ratio relating to ACFO with one-time adjustment for the year ended December 31, 2020 decreased by 0.3% to 87.2% as compared to 2019, which was primarily due to the items previously identified.

Development and Intensification Summary

Included in the Trust's large development pipeline are 284 identified mixed-use development initiatives, which are summarized in the following table:

Description	Underway (Construction underway or expected to commence within next 2 years)	Active (Construction expected to commence within next 3–5 years)	Future (Construction expected to commence after 5 years)	Total
Number of projects in which the Trust has an ownership interest				
Residential Rental	17	28	51	96
Seniors' Housing	9	14	17	40
Self-storage	14	17	19	50
Office Buildings	—	1	6	7
Hotels	—	—	4	4
Subtotal – Recurring income initiatives	40	60	97	197
Condominium developments	13	21	38	72
Townhome developments	4	1	10	15
Subtotal – Development income initiatives	17	22	48	87
Total	**57**	**82**	**145**	**284**
Trust's share of project area (in thousands of sq. ft.)				
Recurring income initiatives	3,900	5,900	9,300	19,100
Development income initiatives	2,800	3,600	7,000	13,400
Total Trust's share of project area (in thousands of sq. ft.)	**6,700**	**9,500**	**16,300**	**32,500**
Trust's share of such estimated costs (in millions of dollars)	**3,200**	**4,700**	**–** (1)	**7,900**

(1) The Trust does not fully determine the costs attributable to future projects expected to commence after five years and as such they are not included in this table.

As noted in the table above, the Trust is currently working on initiatives for the development of many properties, including the following mixed-use development initiatives for which final municipal approvals have or are being actively pursued:

a. the development of up to 5.3 million square feet of predominately residential space, in various forms, at Highway 400 & Highway 7, in Vaughan, Ontario, with a rezoning application submitted in December 2019 and a site plan application for the first four buildings totalling 1,742 units submitted in October 2020;

b. the development of more than four million square feet (4,600 units) of residential density on the land at SmartVMC previously occupied by a Walmart store, with rezoning and site plan applications submitted for phase one of 550,000 square feet in 2020;

c. the development of 1.2 million square feet of mixed-use density – office, retail and residential – on the SmartVMC lands immediately south of the Transit City 4 and 5 towers, with the rezoning and site plan applications submitted in September 2020;

d. the development of up to 5.0 million square feet of predominately residential space, in various forms over the long term, in Pickering, Ontario, with the site plan application for a two-tower mixed-use phase, approximating 650,000 square feet, submitted in April 2020;

e. the development of up to 5.5 million square feet of predominately residential space, in various forms, at Oakville North in Oakville, Ontario, with the rezoning application for an initial two-tower 585-unit residential phase expected to be submitted in early 2021;

f. the development of up to 2.55 million square feet of predominately residential space, in various forms, at Westside Mall in Toronto, Ontario, with an application for the first 35-storey mixed-use tower expected to be submitted by February 2021;

g. the development of up to 1.7 million square feet of residential space in various forms at the Vaughan NW shopping centre in Vaughan, Ontario. Residential development includes townhomes, to be developed in partnership with Fieldgate; a seniors' apartment building and separate retirement residence to be developed in partnership with Revera, along with condominiums and residential rental buildings. Applications for these six towers have been submitted. In addition, an 85,000 square-foot self-storage facility is under construction and scheduled to open early in 2021;

h. the development of up to 1.5 million square feet of residential space, in various forms, in Pointe-Claire, Quebec, with the first phase, a two-tower rental project, being actively pursued;

i. the development of up to 318,000 square feet of residential space at Oakville South in Oakville, Ontario, including 170 units in a retirement residence project with Revera and townhomes;

j. the intensification of the Toronto StudioCentre ("StudioCentre") in Toronto, Ontario (zoning allows for up to 1.2 million square feet);

k. the development of four high-rise purpose-built residential rental buildings comprising approximately 1,800 units with Greenwin, in Barrie, Ontario, for which a zoning application was approved by Barrie Council in January 2021. The site plan was submitted in August 2020 with anticipated approval in spring 2021;

l. the development of a 35-storey high-rise purpose-built residential rental tower, on Balliol Street in midtown Toronto, Ontario, with applications submitted in September 2020;

m. the development of up to 1,600 residential units, in various forms, in Mascouche, Quebec, with the first phase consisting of two 10-storey rental towers approved by municipal council in August 2020, with a construction start expected in early 2021;

n. the development of residential density at the Trust's shopping centre at 1900 Eglinton in Scarborough with rezoning applications for the first two residential towers (38 and 40 storeys) submitted in January 2021;

o. the development of up to 275,000 square feet of residential space in 150 townhomes at London Fox Hollow in London, Ontario, with site plan approval applications submitted in December 2020;

p. the development of the first phase, 42-unit rental building, which is part of a multi-phase masterplan in Alliston, Ontario, with a rezoning application approved by Council in December 2020 and a site plan application submitted in May 2020 with anticipated approval in spring 2021;

q. the development of four additional self-storage facilities with the Trust's partner, SmartStop, in Aurora, Brampton, Markham, and Whitby with zoning and/or site plan applications submitted in the last several months;

r. the acquisition of an additional 33.33% interest (new ownership structure of 66.66% held by the Trust and 33.33% held by Penguin) in 50 acres of adjacent land to the Trust's Outlet Centre in Mirabel for the ultimate development of residential density of up to 4,500 units;

s. the development of residential density of 450 condo units (in two phases) at Laval Centre in Quebec, with the zoning application for the first tower of 225 units expected to be submitted in the third quarter of 2021;

t. the development of residential density at the Trust's shopping centre at Bayview and Major Mackenzie in Richmond Hill, with a rezoning application for a 10-storey retirement residences building submitted in the first quarter of 2021, to be developed in partnership with Revera;

u. the acquisition of 8 acres of land in Aurora (Yonge and Murray) adjacent to the Trust's shopping centre and the preparation of a rezoning application for 425 residential units; and

v. the acquisition of a 50% interest in a property in downtown Markham for the development of a 243,000 square foot retirement residence with Revera. The rezoning application was submitted in December 2020.

Non-GAAP Measures

The non-GAAP measures used in this Press Release, including but not limited FFO, Transactional FFO, ACFO, NOI, Same Property NOI, average yield rates, and payout ratio do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures are more fully defined and discussed in 'Management's Discussion and Analysis' ("MD&A") of the Trust for the year ended December 31, 2020, available on SEDAR at www.sedar.com.

Full reports of the financial results of the Trust for the year ended December 31, 2020 are outlined in the consolidated financial statements and the related MD&A of the Trust for the year ended December 31, 2020, which are available on SEDAR at www.sedar.com.

Conference Call

SmartCentres will hold a conference call on Thursday, February 11, 2021 at 2:00 p.m. (ET). Participating on the call will be members of SmartCentres' senior management.

Investors are invited to access the call by dialing 1-855-353-9183 and then keying in the participant access code 93397#. You will be required to identify yourself and the organization on whose behalf you are participating.

A recording of this call will be made available Thursday, February 11, 2021 beginning at 8:30 p.m. (ET) through to 8:30 p.m. (ET) on Thursday, February 18, 2021. To access the recording, please call 1-855-201-2300, enter the Conference Reference Number 1252834# and then key in the participant access code 93397#.

About SmartCentres

SmartCentres Real Estate Investment Trust is one of Canada's largest fully integrated REITs, with a best-in-class portfolio featuring 167 strategically located properties in communities across the country. SmartCentres has approximately $10.7 billion in assets and owns 33.8 million square feet of income producing value-oriented retail space with over 97% occupancy, on 3,500 acres of owned land across Canada.

SmartCentres continues to focus on enhancing the lives of Canadians by planning and developing complete, connected, mixed-use communities on its existing retail properties. Project 512, a publicly announced $13.5 billion intensification program ($7.9 billion at SmartCentres' share) represents the REIT's current major development focus on which construction is expected to commence within the next five years. This intensification program consists of rental apartments, condos, seniors' residences and hotels, to be developed under the SmartLiving banner, and retail, office, and storage facilities, to be developed under the SmartCentres banner.

SmartCentres' intensification program is expected to produce an additional 55.4 million square feet (32.5 million square feet at SmartCentres' share) of space, 27.7 million square feet (16.2 million square feet at SmartCentres' share) of which has or will commence construction within the next five years. From shopping centres to city centres, SmartCentres is uniquely positioned to reshape the Canadian urban and urban-suburban landscape.

Included in this intensification program is the Trust's share of SmartVMC which, when completed, is expected to include approximately 11.0 million square feet of mixed-use space in Vaughan, Ontario. Construction of the first five sold-out phases of Transit City Condominiums that represent 2,789 residential units continues to progress. Final closings of the first two phases of Transit City Condominiums began ahead of budget and ahead of schedule in August 2020 and as at December 31, 2020, substantially all 1,110 units in the first and second phases had closed. In addition, the presold 631 units in the third phase along with 22 townhomes, all of which are sold out and currently under construction, are expected to close in 2021. The fourth and fifth sold-out phases representing 1,026 units are currently under construction and are expected to close in 2023.

Certain statements in this Press Release are "forward-looking statements" that reflect management's expectations regarding the Trust's future growth, results of operations, performance and business prospects and opportunities as further outlined under the headings "Business Overview and Strategic Direction", "Other Measures of Performance" and "Outlook" in Management's Discussion & Analysis of the Trust for the year ended December 31, 2020. More specifically, certain statements contained in this Press Release, including statements related to the Trust's maintenance of productive capacity, estimated future development plans and costs, view of term mortgage renewals including rates and upfinancing amounts, timing of future payments of obligations, intentions to secure additional financing and potential financing sources, and vacancy and leasing assumptions, and statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may" and similar expressions and statements relating to matters that are not historical facts, constitute "forward-looking statements". These forward-looking statements are presented for the purpose of assisting the Trust's Unitholders and financial analysts in understanding the Trust's operating environment, and may not be appropriate for other purposes. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. However, such forward-looking statements involve significant risks and uncertainties, including those discussed under the heading "Risks and Uncertainties" and elsewhere in Management's Discussion & Analysis of the Trust for the year ended December 31, 2020 and under the heading "Risk Factors" in its Annual Information Form for the year ended December 31, 2020. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this Press Release are based on what management believes to be reasonable assumptions, the Trust cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. These forward-looking statements are made as at the date of this Press Release and the Trust assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

However, such forward-looking statements involve significant risks and uncertainties.

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The Toronto Stock Exchange neither approves nor disapproves of the contents of this Press Release.