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Melcor & the REIT announce measures taken to respond to current economic situation

Edmonton, Alberta | March 25, 2020

Melcor Developments Ltd. (TSX: MRD) and Melcor Real Estate Investment Trust (TSX: MR.UN) today announced a number of the measures taken in response to unprecedented economic challenges brought about by the COVID-19 global pandemic and the drastic drop in the price of Alberta oil.

To respond to this pressure, Melcor and the REIT have and are implementing a number programs and initiatives, including:

- 47% reduction to the REIT's April distribution, announced March 20, 2020
- 17% reduction to Melcor's dividend announced March 11, 2020
- Board remuneration reduction for both companies
- Wage roll-back for named executive officers and management committee members
- Temporary lay-off notices given to approximately 25% of full-time staff
- Reduction in remuneration for all remaining staff
- Deferred all capital spending
- Anticipate delayed openings of the golf courses under Melcor management
- Working with all clients and stakeholders on a case by case basis

Darin Rayburn, President and Chief Executive Officer of both Melcor and the REIT commented: "These unprecedented times call for measured and intentional action. Melcor moved quickly in our response to COVID-19, both in steps taken to stop the spread, and in actions to preserve cash. These steps, although some of them have been very difficult, were necessary to position the company to weather the COVID-19 storm and resulting economic impact to our businesses and to those of our clients and stakeholders.

Our team is our work family and we significantly value each of our colleagues and so the decisions impacting our staff were the hardest to make. We continue to monitor and respond accordingly and will keep all stakeholders informed."

For more information on Melcor's COVID-19 response, please visit: <https://www.melcor.ca/media/latest-news/melcor-response-to-covid-19/>

About Melcor Developments Ltd.

Melcor is a diversified real estate development and asset management company that transforms real estate from raw land through to high-quality finished product in both residential and commercial built form. Melcor develops and manages mixed-use residential communities, business and industrial parks, office buildings, retail commercial centres and golf courses. Melcor owns a well-diversified portfolio of assets in Alberta, Saskatchewan, British Columbia, Arizona and Colorado.

Melcor has been focused on real estate since 1923. The company has built over 140 communities across western Canada and today manages over 4.5 million sf in commercial real estate assets and over 600 residential rental units. Melcor is committed to building communities that enrich quality of life - communities where people live, work, shop and play.

Melcor's headquarters are located in Edmonton, Alberta, with regional offices throughout Alberta and in British Columbia and Phoenix, Arizona. Melcor has been a public company since 1968 and trades on the Toronto Stock Exchange (TSX:MRD). www.melcor.ca

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