

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Issuer

Crombie Real Estate Investment Trust (the “REIT” or “Crombie”)
115 King Street
Stellarton, Nova Scotia
B0K 1S0

Item 2 Date of Material Change

September 29, 2011

Item 3 News Release

News releases were disseminated across Canada through Marketwire on September 29, 2011 and CNW Group on September 29, 2011 and filed on SEDAR.

Item 4 Summary of Material Change

On September 29, 2011, the REIT announced an approximately \$75 million offering (the “Offering”) comprised of a \$45,103,500 public offering of trust units of the REIT (“Units”) on a bought deal basis (the “Public Offering”) at \$12.85 per Unit and an approximately \$30 million private placement (the “Private Placement”) of Class B LP Units of Crombie Limited Partnership at the offering price of \$12.85 per Class B LP Unit to ECL Developments Limited (“ECL”) in satisfaction of the pre-emptive right of Empire Company Limited (“Empire”) in respect of the Public Offering.

Item 5 Full Description of Material Change

On September 29, 2011, the REIT announced that it had reached an agreement with a syndicate of underwriters co-led by CIBC World Markets Inc. and TD Securities Inc. to offer, on a bought-deal basis, 3,510,000 Units to the public at a price of \$12.85 per Unit for gross proceeds of \$45,103,500. The Public Offering is subject to receipt by the REIT of regulatory approvals.

In addition to the Public Offering, in satisfaction of its pre-emptive right with respect to the Public Offering and subject to regulatory approval, Empire, through its subsidiary ECL, agreed to subscribe for 2,334,630 Class B LP Units of Crombie Limited Partnership at the \$12.85 offering price on a private placement basis for gross proceeds of approximately \$30 million. Each Class B LP Unit is exchangeable for one Unit of the REIT at the option of the holder and has attached to it one Special Voting Unit of the REIT. All securities issued under the Private Placement are subject to a four month hold period from the closing date of the Private Placement.

The REIT announced that it expects to use the net proceeds from the Offering to repay floating rate debt as well as general REIT purposes, which may include future acquisitions completed in the ordinary course.

The terms of the Public Offering will be described in a short form prospectus to be filed with Canadian securities regulators. Both the Public Offering and the Private Placement are expected to close on or about October 20, 2011.

Empire, indirectly through its wholly owned subsidiary ECL, currently holds 30,780,730 Class B LP Units and Special Voting Units, representing a 45.0% economic and voting interest in the REIT. Upon completion of the Private Placement and the Public Offering, Empire, through ECL, will hold 33,115,360 Class B LP Units and Special Voting Units, representing a 44.6% economic and voting interest in the REIT.

As a result of ECL's interest in the REIT, the Private Placement constitute a "related party transaction" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Consequently, the independent elected members of the Board of Trustees of the REIT approved the terms of the Private Placement. In addition, MI 61-101 provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. The fair market value of the Private Placement is less than 25% of the market capitalization of the REIT. Consequently the Private Placement will not be subject to the valuation and minority approval requirements of MI 61-101.

This report may contain forward looking statements that reflect the current expectations of management of Crombie about Crombie's future results, performance, achievements, prospects and opportunities. Wherever possible, words such as "continue", "may", "will", "estimate", "anticipate", "believe", "expect", "intend" and similar expressions have been used to identify these forward looking statements. These statements include, without limitation, statements regarding the expected use of proceeds of the Offering and the expected closing of the Offering, and reflect current beliefs and are based on information currently available to management of Crombie. Forward looking statements necessarily involve known and unknown risks and uncertainties. A number of factors, including those discussed in the Risk Management section of Crombie's fiscal 2010 management's discussion and analysis, and of Crombie's management's discussion and analysis for the quarter ended June 30, 2011, and in the "Risks" section of Crombie's annual information form in respect of the year ended December 31, 2010, could cause actual results, performance, achievements, prospects or opportunities to differ materially from the results discussed or implied in the forward looking statements. These factors should be considered carefully and a reader should not place undue reliance on the forward looking statements. There can be no assurance that the expectations of management of Crombie will prove to be correct. Readers are cautioned that such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from these statements. Crombie can give no assurance that actual results will be consistent with these forward-looking statements.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The following senior officer of the REIT is knowledgeable about the material changes and this report:

Glenn Hynes, C.A.
Chief Financial Officer and Secretary
Crombie Real Estate Investment Trust
115 King Street
Stellarton, Nova Scotia
B0K 1S0
(902) 755-8100

Item 9 Date of Report

October 4, 2011