Partners Real Estate Investment Trust Acquiring Five Properties in Ontario and One in Alberta

VICTORIA, B.C. (January 18, 2012) - Partners Real Estate Investment Trust (TSXV: PAR.UN) ("**Partners REIT**") announced today that it will be acquiring five properties in Ontario from unrelated vendors and one in Alberta aggregating approximately 428,000 square feet, which are being funded by debt, the assumption of existing mortgages and the proceeds from the previously announced NorRock Realty Finance Corporation transaction. The aggregate value of these properties is approximately $108 million, representing an aggregate cap rate of 7.2%. These properties currently generates Net Operating Income in the aggregate of of approximately $7.7 million on an annualized basis and management expects they will generate approximately $5.6 in incremental annualized Funds From Operations. Each of these acquisitions are expected to close in February 2012 subject to the fulfillment of certain conditions precedent. The closing of the acquisitions are not conditional upon the closing of the NorRock Realty Finance Corporation transaction.

The details of the individual acquisitions are as follows:

Crossing Bridge Square

Crossing Bridge Square is an existing 45,800 square foot open-air centre located in Stittsville, Ontario, a suburb located 31 kilometers from downtown Ottawa. The centre consists of a retail strip centre and two free-standing pad sites. Nearly 45% of the centre is occupied by Farm Boy grocery store and IDA Drug Mart with other tenancies including Local Heroes, Pet Valu and McDonalds and the centre is almost 91% occupied with one vacancy. The property currently generates net operating income of a little over $750,000 on an annualized basis and management expects it will generate over $500,000 in incremental annualized funds from operations.

Partners REIT will pay approximately $11.2 million for the property, subject to closing adjustments. The acquisition will be satisfied by new one-year bank credit facility of $5.6 million with an interest rate equivalent to Bankers Acceptance plus 2.5% or currently 3.6% and the balance with Partners REIT's available funds on hand.

Grand Bend Towne Centre

Grand Bend Towne Centre is an existing 36,100 square foot centre comprised of a Sobeys grocery store with a lease extending to April 2023 and a Shoppers Drug Mart with a lease extending to September 2017 located on Main Street East in downtown Grand Bend, Ontario. Grand Bend Towne Centre will also include a 6,100 square foot LCBO scheduled for construction completion in May 2013 with a lease extending until May 2028. The vendor is responsible for the completion and cost of the building, as well as a rental guarantee. The property currently generates net operating income of approximately $650,000 on an annualized basis and management expects it will generate approximately $450,000 in incremental annualized funds from operations.

Partners REIT will pay approximately $9.5 million for the property, subject to closing adjustments and prior to an effective $200,000 adjustment for the above market interest rate on the assumed mortgage, for a net acquisition price of $9.3 million. The acquisition will be satisfied by the assumption of an existing mortgage of approximately $3.3 million, originally maturing July 2017, with a stated interest rate of 5.44%, but with an effective interest rate of 3.85% taking into consideration the $200,000 purchase price adjustment. This mortgage will be increased by approximately $1.6 million at an interest rate of 3.6% and maturing with the original mortgage. The balance of the acquisition will be satisfied by Partners REIT's available funds on hand.

King George Square

King George Square is an existing 67,100 square foot open-air centre comprised of three buildings and located on the west side of King George Road which traverses Brantford, Ontario's traditional retail node. King George Road is the usual north-south route from the 403 to the north part of Brantford and is used by 33,000 cars a day. Nearly 50% of the centre is occupied by Shoppers Drug Mart and Dollarama with other tenancies including Bulk Barn, Pet Valu and Casey's Restaurant and the centre is almost 98% economically occupied with 7% of the space covered by a rental guarantee from the vendor along with a related tenant allowance for lease up of the space. The property currently generates net operating income of approximately $1.2 million on an annualized basis and management expects it will generate approximately $900,000 in incremental annualized funds from operations.

Partners REIT will effectively pay approximately $16.8 million for the property, subject to closing adjustments and prior to a capital improvement adjustment of $125,000, for a net acquisition price of $16.7 million. The acquisition will be satisfied by new one-year bank credit facility of $8.4 million with an interest rate equivalent to Bankers Acceptance plus 2.5% or currently 3.6 and the balance with Partners REIT's available funds on hand.

Manning Crossing

Manning Crossing is an existing 64,500 square foot centre comprised of a retail strip, five restaurant pads and shadowed anchored by a corporately-owned Safeway grocery store located in Edmonton, Alberta. The centre is located at the intersection of 137th Avenue Northwest, the primary east-west artery, and Manning Drive, the primary north-south entrance into the city of Edmonton, with average daily traffic counts of 53,000 cars. The centre is over 95% occupied with key tenants such as Liquor Depot, Royal Bank of Canada, Smitty's, Tim Hortons and A&W. There is also a rental guarantee by the vendor on 4.5% of the space along with a tenant allowance to lease up the space. The property currently generates net operating income of approximately $1.45 million on an annualized basis and management expects it will generate approximately $1.0 million in incremental annualized funds from operations.

Partners REIT will pay approximately $21.3 million for the property, subject to closing adjustments and prior to an effective $300,000 adjustment for the above market interest rate on the assumed mortgage, for a net acquisition price of $21.0 million. The acquisition will be satisfied by the assumption of an existing mortgage of approximately $4.6 million maturing August 2014, with a stated interest rate of 6.59%, but with an effective interest rate of 3.5% taking into consideration the $300,000 purchase price adjustment. This mortgage will be increased by approximately $8.0 million at an interest rate of 3.6% and maturing with the original mortgage. The balance of the purchase price will be paid from Partners REIT's available funds on hand.

St. Clair Beach Towne Centre

St. Clair Beach Towne Centre, an existing 40,100 square foot centre comprised of two buildings located in the Windsor, Ontario suburb of Tecumseh. Tecumseh is a mature residential neighborhood. St. Clair Beach Towne Centre is anchored by Shoppers Drug Mart occupying 50% of the centre with a lease that runs through July 2025. Swiss Chalet occupies almost 15% of the centre and the centre is 95% economically occupied with 5% of the space covered by a rental guarantee from the vendor.

The property currently generates net operating income of approximately $900,000 on an annualized basis and management expects it will generate approximately $700,000 in incremental annualized funds from operations.

Partners REIT will pay approximately $12.1 million for the property, subject to closing adjustments and prior to an effective $300,000 adjustment for the above market interest rate on the assumed mortgage, for a net acquisition price of $11.8. The acquisition will be satisfied by the assumption of an existing mortgage of approximately $4.4 million, originally maturing November 2014, with a stated interest rate of 6.1%, but with an effective interest rate of 3.5% taking into consideration the $300,000 purchase price adjustment. This mortgage will be increased by approximately $1.8 million at an interest rate of 3.6% and the maturity of the original mortgage will be extended until July 2017 at the same interest rate beyond the original maturity. The balance of the purchase price will be paid from Partners REIT's available funds on hand.

Thunder Centre

Thunder Centre is an existing 168,000 square foot power centre comprised of two big-box stores and five multi-tenant retail strips located in the primary retail node of Thunder Bay, Ontario. Thunder Centre is shadow-anchored by a Canadian Tire and Home Depot and is adjacent to Intercity Shopping Centre, which will have newly converted Target store. Over 60% of the centre is occupied by Home Outfitters, Michaels, Old Navy, Mark's Work Wearhouse, Dollarama and LCBO and the centre is 100% economically occupied with 2.5% of the space covered by a rental guarantee from the vendor.

The property currently generates net operating income of approximately $2.75 million on an annualized basis and management expects it will generate approximately $2.05 million in incremental annualized funds from operations.

Partners REIT will pay approximately $39.3 million for the property, subject to closing adjustments and prior to an effective $1.1 million adjustment for the above market interest rate on the assumed mortgage, for a net acquisition price of $38.2. The acquisition will be satisfied by the assumption of an existing mortgage of approximately $14.8 million, originally maturing October 2015, with a stated interest rate of 5.74%, but with an effective interest rate of 3.5% taking into consideration the $1.1 million purchase price adjustment. This mortgage will be increased by approximately $4.9 million at an interest rate of 3.6% and the maturity of the original mortgage will be extended until July 2017 at the same interest rate beyond the original maturity. The balance of the purchase price will be paid from Partners REIT's available funds on hand.

"We continue to be very active growing our portfolio since we took over management of the REIT in June 2010 with the acquisition of retail centres in Quebec, Ontario, Manitoba, Alberta and British Columbia and now these additional five centres in Ontario and one in Alberta," commented Adam Gant, Chief Executive Officer.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) 21 retail properties located in British Columbia, Ontario, Manitoba and Quebec, aggregating approximately 1.7 million square feet of leaseable space. Partners REIT focuses on expanding and managing a portfolio of retail and mixed-use community and neighbourhood shopping centres located in both primary and secondary markets across Canada. After taking into account the acquisitions above, Partners REIT will own 27 properties aggregating approximately 2.1 million square feet of leasable space.

Non-IFRS Measures

This press release makes reference to certain financial measures other than those prescribed by International Financial Reporting Standards ("IFRS"). These non-IFRS measures are not recognized under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other entities. These non-IFRS measures, which include NOI and FFO, are provided to the reader as additional information to complement IFRS measures and to further understand the REIT's results of operations from management's perspective and as a supplemental measure of performance that highlights trends in the business that may not otherwise be apparent when relying solely on IFRS financial measures. Such non-IFRS measures should not be considered in isolation or as a substitute for analysis of financial information reported under IFRS. Readers should refer to the REIT's annual information form and MD&A, which are available on our website and on SEDAR at www.sedar.com, for additional details regarding the determination of these non-IFRS measures and reconciliation to financial information reported under IFRS.

Forward-looking Statements

Certain statements included in this press release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect," "will" and similar expressions to the extent they relate to Partners REIT. The forward-looking statements are not historical facts but reflect Partners REIT's current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that *could cause actual results or events to differ materially from current expectations, including the integration of the acquisitions with our property portfolio, the receipt of regulatory approval, our expectations regarding closing the proposed acquisitions, the expected increase in the mortgage, our expectations regarding an increase in incremental funds as a result of the acquisitions, our intention to continue to grow and diversify our portfolio, access to capital, regulatory approvals, intended acquisitions and general economic and industry conditions. Although Partners REIT believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein.*

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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