

Partners Real Estate Investment Trust Announces \$20,000,580 Bought Deal Financing

VICTORIA, B.C. (January 18, 2012) - Partners Real Estate Investment Trust (the “REIT” or “Partners REIT”) (TSXV: PAR.UN) is pleased to announce a bought deal financing.

The Offering

Partners REIT has entered into an agreement to sell, on a bought deal basis and subject to regulatory approval, to a syndicate of underwriters led by National Bank Financial Inc. and Canaccord Genuity Corp. (“Canaccord Genuity”) (collectively the “Co-Lead Underwriters”), 10,753,000 trust units (the “Units”) at a price of \$1.86 per Unit representing gross proceeds of approximately \$20 million. The REIT has granted the Co-Lead Underwriters an over-allotment option, exercisable in whole or in part at any time up to 30 days following the closing of the offering (the “**Closing of the Offering**”), to purchase up to an additional 1,612,950 Units at the same offering price.

The REIT intends to use the proceeds to pay down the acquisition lines of credit put in place for property purchases completed in 2011 and 2012, which will further improve the balance sheet of the REIT. Partners REIT’s management team continues to see good acquisition opportunities for high quality retail properties and will continue to pursue property purchases that meet the REIT’s strategic and financial criteria.

As at the close of business on January, 17, 2012, 31,062,413 units of Partners REIT were issued and outstanding.

The REIT will, by January, 24, 2012, file a preliminary short form prospectus relating to the issuance of the Units with the securities commissions and other similar regulatory authorities in each of the provinces of Canada except Quebec a preliminary short form prospectus relating to the issuance of the Units. Closing of the offering is expected to take place on or about February 8, 2012.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933 as amended and may not be offered or sold in the United States absent registration or pursuant to applicable exemption from registration.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) twenty-one retail properties, well-located in British Columbia, Alberta, Manitoba, Ontario and Quebec, aggregating approximately 1.7 million square feet of leasable 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.

For further information on Partners REIT, please view our informational videos available at <http://www.partnersreit.com/video.html>

For further information:

Partners REIT:

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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 related 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 closing of the proposed offering, the receipt of regulatory approval, our intention to continue to grow and diversify our portfolio, access to capital, regulatory approvals, intended acquisitions, our status as a “real estate investment trust” 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.

The forward-looking statements contained in this press release reflect our current views with respect to future events and are also subject to certain other risks and uncertainties and other risks detailed from time-to-time in Partners REIT’s ongoing filings with the securities regulatory authorities, which filings can be found at www.sedar.com. Actual results, events, and performance may differ materially from those contemplated in Partners REIT’s forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. Partners REIT does not undertake any obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise, except as required by applicable securities laws.

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.