



PARTNERS REIT ANNOUNCES RIGHTS OFFERING

TORONTO, ON – May 19, 2017 – Partners Real Estate Investment Trust (the “REIT”) (TSX:PAR.UN) will issue to each of the holders of its outstanding units the right to subscribe for additional units of the REIT (a “Right”). The record date for establishing the unitholders entitled to receive the Rights will be 5:00 p.m. (Toronto time) on June 7, 2017. A unitholder will be entitled to receive one Right for each unit held on the record date.

A unitholder In Canada will be entitled to subscribe for one unit for every three Rights held upon payment of the subscription price of \$3.10 per unit.

There are currently 34,255,398 REIT units outstanding. If all of the Rights are exercised, the REIT expects to raise net proceeds (after deducting expenses relating to the Rights offering) of \$35,147,244. The REIT intends to use all proceeds from the Rights offering to redeem, in whole or in part, certain outstanding debentures of the REIT at, or prior to, maturity.

Holders of Rights that exercise in full their basic subscription privilege will also be entitled to subscribe for additional units that are not otherwise purchased by other holders of the Rights. The maximum number of additional units for which an eligible holder will be able to subscribe will be limited to such holder’s pro rata share (based on the basic subscription privilege exercised by that unitholder relative to other unitholders) of the total amount of additional units available.

The Rights will be transferable by unitholders and will be listed and posted for trading on the Toronto Stock Exchange.

The Rights will expire at 5:00 p.m. (Toronto Time) on July 18, 2017. Rights not exercised before the expiry time will no longer have any value. If a Unitholder does not exercise the Rights and the Rights Offering is completed, such Unitholder's percentage interest in the REIT will be diluted upon the exercise of Rights by other Unitholders.

The REIT has been advised by its three largest unitholders, who, in the aggregate, own approximately 49% of the currently outstanding units, that they intend to exercise all of the Rights they are issued and may subscribe for whatever additional rights are available to them. Each of the Trustees of the REIT and its senior management who hold units have also confirmed their current intention to exercise their basic subscription privilege. This is not a legally binding commitment from these three unitholders, the Trustees or senior management and their intentions could change at their absolute and unfettered discretion.

Details with respect to the Rights offering will be set out in a circular and notice that will be available online at www.sedar.com.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust focused on the expansion and management of a portfolio of 35 retail and mixed-use community and neighbourhood shopping

centres. These properties are located in both primary and secondary markets across British Columbia, Alberta, Manitoba, Ontario, and Quebec, and comprise a total of approximately 2.5 million square feet of leasable space.

Disclaimer

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 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.

For further information please contact:

Partners REIT Investor Relations

1 (844) 474-9620 ext. 401
investor.relations@partnersreit.com

Partners REIT

Jane Domenico
Chief Executive Officer
(416) 855-3313 ext. 401