

Partners Real Estate Investment Trust Announces Closing of Previously Announced Acquisition

(December 19, 2011) - Partners Real Estate Investment Trust (“**Partners REIT**”) (TSXV: PAR.UN) announced today the closing of its previously announced acquisition of an existing Shoppers Drug Mart and PartSource development in the midst of Edmonton’s 137th Avenue retail corridor. Partners REIT has paid approximately \$4.09 million for the property, including the assumption of a \$1.63 million mortgage (which is expected to be increased to \$2.55 million), bearing interest at 4.3%, with the increase being primarily used for other acquisitions. The balance of the purchase price was satisfied through (i) the issuance of 1.15 million exchangeable limited partnership units (“**Exchangeable LP Units**”), with a value of \$2.07 million or \$1.80 per unit, with each Exchangeable LP Unit exchangeable on a one for one basis into Partners REIT units, at, among other circumstances, the election of the vendor, and (ii) the remaining balance of the purchase price payable in cash.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) 20 retail properties located in British Columbia, Ontario, Manitoba and Quebec, aggregating approximately 1.6 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.

For further information:

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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 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, 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.

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.