

Partners REIT Announces Increased Bought Deal Financing

VANCOUVER, B.C. (February 15, 2011) - **Partners Real Estate Investment Trust** (the “REIT” or “Partners REIT”) (TSXV: PAR.UN) is pleased to announce it will increase its previously announced financing of extendible convertible unsecured subordinated debentures (“Debentures”) to an aggregate principal amount of \$25,000,000 at a price of \$1,000 per Debenture (the “Offering”) on a bought deal basis to a syndicate of underwriters co-led by TD Securities Inc. and CIBC, and including Dundee Securities Corporation, Macquarie Capital Markets Canada Ltd., Scotia Capital Inc., National Bank Financial Inc., Canaccord Genuity Corp., Raymond James Ltd. and Brookfield Financial Corporation (the “Underwriters”). The REIT has granted the Underwriters an overallotment 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 \$3,750,000 principal amount of Debentures.

The REIT intends to use the net proceeds of the offering to partially fund the acquisition of six additional properties as described below (the “Acquisition”), the repayment of an \$8,600,000 secured loan bearing interest at 8.75% and for general trust purposes.

The Debentures will have an initial maturity date of April 30, 2011 which will automatically be extended to March 31, 2016 upon the closing of the Acquisition. The Debentures issued in connection with the offering will bear interest at a rate of 8.0% per annum, payable semi-annually, and will be convertible at the option of the holder into Units of the REIT at a conversion price of \$2.20 per Unit, being a ratio of 454.5455 Units per \$1,000 principal amount of Debentures.

The Closing of the Offering is expected on or about March 8, 2011 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange.

The Acquisition

In addition, Partners REIT announces the acquisition of six additional properties pursuant to an agreement (the “Acquisition Agreement”) entered into with the vendors of such properties whereby the REIT will acquire five properties in Manitoba and one in Quebec, all but one of which are leased solely to Shoppers Realty Inc. The remaining property is leased to several entities, including Shoppers Realty Inc.

The purchase price under the Acquisition Agreement, subject to closing adjustments, is \$30,970,000 and will be satisfied by the assumption of existing mortgages on the properties and the payment of the balance in cash. The cash portion of the purchase price is expected to come from the Offering. The non-cash portion of the purchase price will be satisfied by the REIT’s

assumption of the outstanding principal and accrued interest under the existing mortgages on each of the six properties.

The properties currently generate NOI of approximately \$2,310,000 on an annualized basis.

The closing of the Acquisition is expected on or about March 15, 2011.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) eleven retail properties located in Ontario and Quebec, aggregating approximately 1.2 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.

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 forwardlooking 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 timing of the offering, success of the offering, listing of the units, use of proceeds of the Offering, 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.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the 1933 Act.

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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