

Partners Real Estate Investment Trust Announces Exercise of Over-Allotment Option in Connection with its Public Offering of Units

VICTORIA, B.C. (December 29, 2010) - Partners Real Estate Investment Trust (“Partners REIT” or the “Trust”) (TSX-V: PAR.UN) announced that it has received a notice of exercise from the Underwriters (as defined below), exercising the over-allotment option (the “Over-Allotment Option”) granted to the Underwriters in connection with its previously announced offering of units. The offering is for 4,680,000 units, at a price of \$1.60 per unit, for aggregate gross proceeds of \$7,488,000. The Over-Allotment Option is for an additional 468,000 units and in connection with the closing of the offering and the exercise of the Over-Allotment Option, the aggregate gross proceeds of the offering will be \$8,236,800 and the estimated net proceeds to the Trust (before deducting expenses of the offering) will be \$7,742,592. Partners REIT expects that the offering and the Over-Allotment Option will close on or about December 30, 2010.

TD Securities Inc. and CIBC World Markets Inc. are acting as co-lead managers, along with a syndicate of co-managers including, National Bank Financial Inc., Scotia Capital Inc., Canaccord Genuity Corp., Dundee Securities Corporation and Macquarie Capital Markets Canada Ltd. (collectively, the “Underwriters”).

The net proceeds of the offering and the exercise of the Over-Allotment Option will be used to finance possible future property acquisitions and for general trust purposes.

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.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) ten retail properties, well-located in Ontario and Quebec, aggregating approximately 1.1 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.

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 closing, the closing of the offering and the Over-Allotment Option, 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 forwardlooking 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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