

TORONTO, ONTARIO (June 9, 2010) – Partners Real Estate Investment Trust (“Partners REIT”) (TSX-V: CRH.UN) has received a receipt for a preliminary short form prospectus with securities regulatory authorities in Canada relating to a rights offering (the “Offering”). Partners REIT intends to issue to each eligible unitholder, as of a record date to be announced, one right (“Right”) for each unit (“Unit”) held. Rights will entitle the holder to purchase Units.

In connection with the Offering, Partners REIT has entered into a Standby Purchase Agreement with IGW Public Limited Partnership (“IGW”), one of its major unitholders. In support of the Offering, IGW has agreed to exercise all of the Rights it receives and to purchase any Units not otherwise subscribed for by other unitholders of Partners REIT.

Partners REIT expects to receive gross proceeds of up to \$10 million. The net proceeds from the Offering will be used to repay Partners REIT’s operating and acquisition facility and for leasing activity contemplated at the existing properties, potential future property acquisition and general working capital purposes.

The number of Units to be issued under the Offering, final subscription price, record date and expiry date for the Rights will be determined at the time of filing of a final short form prospectus. Under the Standby Purchase Agreement, and subject to certain conditions, the subscription price for each Unit issued under the Offering will be the lesser of \$1.40 and “market price”, as such term is defined in National Instrument 45-101.

Partners REIT expects to file the final prospectus within the next week. Unitholders are encouraged to read the final prospectus before making an investment decision regarding the Rights. Unitholders that fully exercise their Rights will be entitled to subscribe for additional Units, if available, that were not subscribed for by other holders of Rights.

The trustees of Partners REIT have reserved the option of not proceeding with the Offering if the exercise price would, for regulatory reasons, have to be below \$1.35 per unit in order to permit IGW to take up units under the standby commitment. In such event, the Offering will be replaced with a private placement to IGW at a price of \$1.40 per unit and Partners REIT will sell to IGW that number of units equal to approximately 25% of the market capitalization of Partners REIT.

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 Real Estate Investment Trust is an open-end real estate investment trust established under the laws of the Province of Ontario. Partners REIT is focused on acquiring and managing a portfolio of retail and mixed-use retail community and neighbourhood centres, generally in the mid-market deal size range of \$10 to \$40 million, from both primary and secondary markets throughout Canada. Partners REIT currently owns 10 retail properties located in Ontario and Quebec.

More information

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Certain statements included in this press release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect," "intend," "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 ability of Partners REIT to pay the distribution on the date specified. 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.

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