Partners Real Estate Investment Trust (TSX-V: CRH.UN) closes acquisition of Place Val Est in Sudbury

Toronto: Partners Real Estate Investment Trust ("Partners REIT") is pleased to announce that on January 31, 2008 it has closed its previously announced acquisition of Place Val Est in Sudbury, Ontario, (the "Property") for an aggregate purchase price of $14.72 million (before closing costs), subject to customary closing adjustments.

Property description: The Property is a 110,313 square foot food-anchored retail strip centre located in the north section of Sudbury (Valley East). It has the dominant grocery store in that area and is currently 98.4% leased, with 81% of the tenants being national/regional retailers. Tenants include LOEB (33,063 square feet), SAAN Stores Ltd. (22,742 square feet), PharmaSave (6,500 square feet), Pro Hardware (5,358 square feet), RBC (4,900 square feet), LCBO (2,746 square feet), Harvey's (3,350 square feet) and Tim Horton's (2,450 square feet). It should be noted that SAAN Stores Ltd. recently announced that it has entered into Companies' Creditors Arrangement Act (CCAA) protection. Although SAAN has not indicated that lease termination is imminent, Partners REIT has received a rental guarantee from the vendor if the lease is terminated through the CCAA proceedings.

The Property is stable with less than 30% of the leased area expiring before 2012. The average term to maturity of existing leases is 5.5 years. In the next five years, leases representing the percentage of leased retail square feet set out below will expire:

Year	Leased sq. ft. expiring	% of square feet
2008	15,054	13.86%
2009	2,283	2.10%
2010	5,473	5.04%
2011	9,699	8.93%
2012	24,305	22.38%

The weighted average rent for the centre is $11.02 per square foot.

With the Valley East population of approximately 20,000, the Property has become the main shopping destination in the community. Valley East is the fastest growing area of Sudbury, with 27.9% of all Sudbury new home construction taking place there over the first 10 months of 2007. Furthermore, this number has grown by 20% on a year over year basis. The area's growth will allow Partners REIT to raise rents as leases expire, and lead to significant organic growth at the Property.

Property acquisition: The estimated going-in yield for the acquisition on an unlevered basis is approximately 8.06% before closing costs. Partners REIT has agreed to assume an existing standard first mortgage loan in the amount of $8.1 million. The loan expires in 2015 and bears interest at a rate of 5.166% per annum. The loan was originally obtained by the vendor in 2005 and amortized over a 25-year period. The amortization period for the loan from today is 273 months or 22.75 years. The remainder of the acquisition has been funded by Partners REIT's operating/acquisition facility.

"We are pleased to announce our entry into an exciting and growing market, and the further diversification and rapid growth of Partners REIT's high-quality portfolio," said Ari Silverberg, President and Chief Operating Officer of Partners REIT.

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 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, comprised of stable cash flow and value-add properties from both primary and secondary markets throughout Canada. Partners REIT's principal goal is to generate a reliable and growing yield for its investors. Partners REIT currently owns 10 retail properties located in Ontario and Quebec.

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking statements with respect to the acquisition, the loan and matters concerning the business, operations, and strategy of Partners REIT and the Property. These statements relate to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent Partners REIT's beliefs regarding future events. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur.

Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", 'estimate", "anticipate", "believe" or "continue", similar words or the negative thereof. The future business, operations and performance of Partners REIT and the Property could differ materially from those expressed or implied by such statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Additional, important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, conditions affecting the real estate markets, local real estate conditions, competition, changes in government regulation, dependence on tenants' financial conditions, inability to obtain any required regulatory licenses, approvals or financing, *interest rates and tax related matters. Partners REIT cautions that undue reliance should not be placed on forward-looking statements as events and results could differ materially from those expressed or implied by forward-looking statements made by Partners REIT.*

Unless otherwise stated, all forward looking statements speak only as of the date of this news release. Partners REIT does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.