

Partners Real Estate Investment Trust (TSX-V: CRH.UN) announces agreement to acquire Place Val Est in Sudbury

Toronto: Partners Real Estate Investment Trust (“Partners REIT”) is pleased to announce that it has agreed to acquire Place Val Est, a food-anchored retail strip centre located in Sudbury, Ontario (the “Property”) for an aggregate purchase price before closing costs of \$14.72 million (subject to customary adjustments) (the “Acquisition”). The Acquisition is expected to close in late January 2008.

Property description: Place Val Est (“Val Est”) is a 110,313 square foot, food-anchored retail strip centre located in the former town of Val Caron, now part of Sudbury following an amalgamation in 2001. With a local population of approximately 20,000 and a trade area including smaller communities of more than 350,000, Val Est has become a main shopping destination in the community.

The Property was originally developed in 1983 and has seen many additions to it over the last 20 years. It is currently a 28-unit retail strip centre with high-quality tenants such as LOEB, PharmaSave, Pro Hardware, LCBO, Pet Valu, Tim Horton’s, Harvey’s and RBC. The Property is currently 93% leased with four vacant units.

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 originated by a Canadian chartered bank (the “Loan”). At closing, there will be a balance of approximately \$8.3 million outstanding on the Loan. The Loan is structured to be in place until October 2016 and bears interest at a rate of 5.166% per annum. The remainder of the Acquisition is expected to be financed by Partners REIT drawing down on its operating/acquisition facility.

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 Val Est. 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 completion of the Acquisition and the future business, operations and performance of Partners REIT and Val Est 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, including, that the Acquisition is completed. 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.