Partners Real Estate Investment Trust (TSX-V: CRH.UN) announces third-quarter 2007 financial results

TORONTO: Partners Real Estate Investment Trust ("Partners REIT") is pleased to announce its financial results for the third quarter of 2007.

HIGHLIGHTS:

- On August 9, 2007, Partners REIT completed the acquisition of Cornwall Square Shopping Centre for an aggregate purchase price before closing costs of $41,700,000.
- On August 9, 2007, Partners REIT obtained a $32,250,000 revolving operating and acquisition facility secured by Cornwall Square. The facility may be used to fund the equity portion of future acquisitions (without lender approval of the particular acquisition) and for general working capital purposes. The facility bears interest at prime + 0.75% or BAs + 1.75%.
- On August 9, 2007, Partners REIT closed a marketed offering of trust units, issuing 13,375,000 units at $3.45 per unit for gross proceeds of $46,143,750. Following the exercise of the over-allotment option, which closed on September 7, 2007, Partners REIT issued an additional 1,370,912 units for gross proceeds of $4,729,646, bringing the total gross proceeds of the offering to $50,873,396.
- On September 17, 2007, Partners REIT paid its first monthly distribution of $0.02587 per unit to unitholders of record on August 31, 2007. This represents an annualized distribution of $0.3104 per unit.
- During the quarter, $10,500,000 that was previously drawn under Partners REIT's 12% bridge facilities to fund the acquisition of the Méga Centre, was repaid. By the end of the quarter, $4,000,000 had been drawn under the new operating and acquisition facility.
- As of September 30, 2007, Partners REIT's total assets increased to $85,309,789 (December 31, 2006 – $852,994), reflecting the property acquisitions in 2007. As of September 30, 2007, Partners REIT's debt-gross-book value ratio was approximately 36.5% and its current acquisition capacity is approximately $70,000,000 to $82,000,000.
- For the three months ended September 30, 2007, Partners REIT recorded net operating income from its properties of $1,288,013 (for the three months ended June 30, 2007 – $804,802). Same property net operating income for the three months ended September 30, 2007 was $813, 029, an increase of 1% compared to the three months ended June 30, 2007.
- With respect to leasing, one of the weaker local tenants at the Méga Centre has vacated the premises, bringing total occupancy of that retail portion of the centre to 95% from 100%. Management has always been of the view that there are value-add opportunities at the Méga Centre through the repositioning of certain weaker retailers, including the

tenant that vacated. Management has seen interest in the centre by various national and regional retailers.

- For the quarter ended September 30, 2007, Partners REIT had a net loss of $1,021,814 or $0.09 per unit basic and diluted (2006 – net loss of $31,699 or $0.08 per unit basic and diluted). For the same period, funds from operations ("FFO") was ($392,116) or ($0.04) per unit basic and diluted, an improvement of 37% over the three months ended June 30, 2007. Included in the net loss and FFO are corporate transaction costs and other of $464,733. For the nine months ended September 30, 2007, Partners REIT had a net loss of $2,752,054 or $0.57 per unit basic and diluted (2006 – net loss of $79,554 or $0.22 per unit basic and diluted). Included in net loss are corporate transaction costs and other of $1,218,800. Corporate transaction costs and other consist of: (i) legal, audit, printing and other costs associated with Partners Realty Holdings Ltd.'s conversion to Partners REIT; and (ii) due diligence costs incurred on a deal for a portfolio of Western Canadian properties that was terminated.
- On November 8, 2007, Partners REIT agreed to acquire a two-storey, 115,758 square foot mixed use retail shopping centre located at 160 – 180 Anjou Boulevard in Châteauguay (Montréal), Québec for an aggregate purchase price before closing costs of $14,200,000 (subject to customary adjustments). The acquisition is expected to close on or about November 30, 2007. The property is currently 100% leased with a total of 69,137 square feet of ground level space leased to retail tenants, while the remaining 46,621 square feet is leased to primarily government tenants on the second floor. The property is strategically located in the heart of Châteauguay's commercial district on the south shore of Montréal. The estimated going-in yield for the acquisition on an unlevered basis is approximately 8.05% before closing costs. The REIT has received a commitment letter from a Canadian chartered bank to obtain a standard first mortgage loan in the amount of $9 million, secured by the property. The loan is for a 5 year term with a 25-year amortization period. The loan will bear interest at a rate of 140 basis points over the 5 year Government of Canada bond rate. The remainder of the acquisition will be financed by the REIT drawing down on its operating and acquisition facility.

Q3 FINANCIAL RESULTS: For the complete third quarter Management's Discussion and Analysis, and Financial Statements, please visit www.SEDAR.com.

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.

More information: Ari Silverberg, President and Chief Operating Officer or Floriana Cipollone, Chief Financial Officer Telephone: (416) 364-5705 Facsimile: (416) 861-8166.

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This press release contains forward-looking statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, local real estate conditions, including the development of properties in close proximity to Partners REIT's properties, competition, changes in government regulation, dependence on tenants, financial conditions, interest rates, the availability of equity and debt financing, environmental and tax-related matters, reliance on the Manager, potential conflicts of interest and reliance on key personnel. The cautionary statements qualify all forward-looking statements attributable to Partners REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and Partners REIT has no obligation to update such statements except as required by law.