

Partners Real Estate Investment Trust (TSX-V: CRH.UN) announces agreement to acquire a portfolio of Western Canadian properties

TORONTO: Partners Real Estate Investment Trust (“Partners REIT”) is pleased to announce that it has entered into an agreement to purchase a portfolio of triple net leased properties and development properties located primarily in Western Canada (the “Acquisition”). The purchase price for the portfolio is approximately \$80 million before closing costs and is subject to customary closing adjustments.

THE ACQUISITION: The triple net properties comprise approximately 632,000 square feet of gross leaseable area (“GLA”), and are 100% leased. There are also five development properties in the portfolio, of which four, comprising approximately 60,000 square feet of GLA, are subject to a lease or an offer to lease. Of these four, one is currently under construction, while construction is expected to begin shortly on the other three. The fifth development property (approximately 10,000 square feet of potential GLA) is land held for future development. Once the four initial development properties are completed, which is expected to be the second quarter of 2008, approximately 64% of the portfolio, based on net operating income, will be retail uses while the balance of the portfolio would be classified as industrial properties. On an unlevered basis after completion of the contemplated development, the portfolio is expected to yield between 7.75% and 8.00% before closing costs.

Partners REIT expects to finance the Acquisition by drawing down on its acquisition facility (which is expected to be available to Partners REIT following closing of the acquisition of Cornwall Square Shopping Centre, as described in the press release dated June 29, 2007), by the assumption of existing mortgages and by entering into new debt arrangements. The closing of the Acquisition is subject to significant conditions, including the completion of due diligence and environmental investigations with respect to the properties that must be satisfactory to Partners REIT in its sole discretion, and there can be no assurance that the Acquisition will be completed. The Acquisition is also subject to approval by the TSX Venture Exchange in accordance with the applicable policies of the exchange. If the conditions under the purchase agreement are fulfilled, the Acquisition is scheduled to close on or about October 8, 2007.

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.

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

This press release contains forward-looking statements with respect to the Acquisition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this press release. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. The completion of the acquisition of the Properties is subject to significant conditions and may not be completed by the REIT. In particular, the REIT has not yet completed its due diligence investigations of the Properties nor received the approval of the TSX Venture Exchange for the Acquisition. If the REIT is not satisfied with the results of its due diligence on the properties or does not receive the approval of the TSX Venture Exchange, it may not complete the acquisition. All forward-looking statements contained in this press release are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Accordingly, readers should not place undue reliance on forward-looking statements. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the REIT has no obligation to update such statements except as required by law.