

Partners Real Estate Investment Trust (TSX-V: CRH.UN) announces public offering of trust units

TORONTO: Partners Real Estate Investment Trust (the “REIT”) announces that it has filed a preliminary short form prospectus in each of the provinces and territories of Canada in connection with a marketed offering (the “Offering”) of trust units (“Units”) to raise proceeds of between \$55 million and \$60 million.

THE OFFERING: The offering price is \$4.50 per Unit. The total size of the Offering and initial yield on the Units will be determined following a marketing period.

THE UNDERWRITERS: The REIT has engaged TD Securities Inc. as bookrunner and co-lead underwriter and RBC Dominion Securities Inc. as co-lead underwriter, together with a syndicate of underwriters, including CIBC World Markets Inc., BMO Nesbitt Burns Inc., Blackmont Capital Inc., National Bank Financial Inc., Scotia Capital Inc. and HSBC Securities (Canada) Inc.

OVER-ALLOTMENT OPTION: The underwriters have been granted an over-allotment option to acquire up to an additional 15% of the Offering for a period of 30 days following closing of the Offering.

USE OF PROCEEDS: The proceeds of the Offering are intended to be used to acquire the Cornwall Square property (described in the REIT’s press release of June 29, 2007) and to repay amounts outstanding under its two bridge facilities. The REIT will use any remaining proceeds, including any proceeds from the exercise of the over-allotment option, to acquire additional properties that meet its acquisition criteria and for general working capital purpose.

CLOSING: The closing of the Offering is expected to occur on or about August 3, 2007 and is subject to, among other things, regulatory approval. The acquisition of Cornwall Square will occur on or before closing of the Offering.

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.

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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.