

Partners Realty Holdings Ltd. (TSX-V: CRH) shareholders approve conversion to a real estate investment trust

TORONTO: Partners Realty Holdings Ltd. (the “Company” or “Partners”) is pleased to announce that, at a special meeting held on May 3, 2007, 100% of the voting securityholders of the Company approved the conversion of the Company to a real estate investment trust (the “REIT”) by way of plan of arrangement. According to the approved plan of arrangement, each 10 common shares of the Company will be exchanged for one unit of the REIT. As of May 2, 2007 the Company’s closing price on the TSX Venture Exchange was \$0.60 per share.

The REIT conversion: Management believes that the resulting trust structure will:

- enhance shareholder value,
- create a favourable platform for growth and development of the business of the Company, and
- provide a vehicle to deliver tax-efficient cash flow from the business of the Company to its shareholders.

Conversion date: Subject to receipt of final Court approval and TSX Venture Exchange approval, the conversion is expected to be completed on or about May 10, 2007.

Partners REIT: The name of the REIT will be Partners Real Estate Investment Trust and its units will trade on the TSX Venture Exchange under the symbol CRH.UN.

Partners Realty Holdings Inc.: Partners Realty Holdings Ltd. is focused on acquiring a portfolio of retail and mixed-use retail real estate comprised of stable cash flow and value-add properties from both primary and secondary markets throughout Canada, with the principal goal of generating a reliable and growing yield for its investors. The Company owns four commercial real estate 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 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 the Company'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 the Company and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements except as required by law.