



PARTNERS REIT COMPLETES SALE OF A PROPERTY IN THUNDER BAY AND ANNOUNCES PARTIAL REDEMPTION OF ITS 6.0% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

TORONTO, ON – June 30, 2017 – Partners Real Estate Investment Trust (the “REIT”) (TSX:PAR.UN) announces that the REIT has completed the sale of a shopping centre in Thunder Bay, Ontario. Terms of the sale were generally consistent with the REIT’s press release disseminated on June 8, 2017. The total consideration of \$39.75 million, net of approximately \$0.8 million in closing costs and \$26.7 million in outstanding mortgages will generate net funds of approximately \$12.2 million.

The net proceeds from the sale combined with the net monies generated from the recent refinancing of maturing mortgages will be used to redeem at par, on a pro rata basis, 50% of principal amount outstanding of the REIT’s 6.0% Convertible Unsecured Subordinated Debentures. As previously announced, the REIT intends to use proceeds from its presently ongoing Rights Offering to fund the redemption of the remaining principal amount of 6.0% Convertible Unsecured Subordinated Debentures.

The REIT would also like to remind its unitholders that the Rights market is now opened and the Rights are listed on the Toronto Stock Exchange under the ticker PAR.RT. The deadline for exercising Rights is 5:00 PM EDT on July 18, 2017. Unitholders who hold Units and Rights through a securities broker or dealer, bank, trust company, custodian or other intermediary (each a “Participant”) should contact their Participant to determine how their Rights may be exercised. The deadline for exercising Rights through a Participant could be several days prior to July 18, 2017 and should be discussed with their Participant.

The REIT has been advised by its three largest unitholders, who, in the aggregate, own approximately 51% of the currently outstanding Units, that they intend to exercise all of the Rights they are issued and may subscribe for whatever additional Rights are available to them. Each of the Trustees of the REIT and its senior management who hold Units have also confirmed their current intention to exercise their basic subscription privilege. This is not a legally binding commitment from these three unitholders, the Trustees or senior management and their intentions could change at their absolute and unfettered discretion.

Further details with respect to the Rights Offering are set out in the Rights Offering Circular and notice which are available online at www.sedar.com.

BMO Capital Markets Real Estate Inc. acted as advisor to Partners on the property transaction.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust focused on the expansion and management of a portfolio of 34 retail and mixed-use community and neighbourhood shopping centres. These properties are located in both primary and secondary markets across British Columbia, Alberta, Manitoba, Ontario, and Quebec, and comprise a total of approximately 2.3 million square feet of leasable space.

Disclaimer

Certain statements included in this press release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect," "will" and similar expressions to the extent they relate to Partners REIT. The forward-looking statements are not historical facts but reflect Partners REIT's current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including access to capital, regulatory approvals, intended acquisitions and general economic and industry conditions. Although Partners REIT believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein.

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