



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT COMPLETES ACQUISITION OF PARSONS LANDING IN FORT MCMURRAY

Winnipeg, Manitoba, March 7, 2014 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the acquisition of Parsons Landing located in the Timberlea area of Fort McMurray, AB. The four storey property consists of 160 suites with underground parking for 219 vehicles as well as tenant storage.

LREIT originally acquired possession of Parsons Landing on September 1, 2008 at a total cost of \$63.2 million. Closing of the acquisition had, however, been extended pending the completion of permanent mortgage financing. Closing was further delayed due to a February 2012 fire which destroyed one wing of the property and resulted in substantial damage to the remainder of the property. Complete reconstruction of Parsons Landing was completed in October 2013.

The balance owing in regards to the acquisition of Parsons Landing was \$41.1 million and was funded by a \$40 million first mortgage loan and the balance in cash. The 7.95% first mortgage is payable monthly on an interest-only basis and matures on April 30, 2015.

ABOUT LREIT

LREIT is a real estate investment trust, which is listed on the Toronto Stock Exchange under the symbols LRT.UN (Trust Units), LRT.DB.G (Series G Convertible Debentures), LRT.NT.A (Second Mortgage Bonds due December 24, 2015), LRT.WT (Warrants expiring March 9, 2015) and LRT.WT.A (Warrants expiring December 23, 2015). For further information on LREIT, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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The TSX has not reviewed or approved the contents of this press release and does not accept responsibility for the adequacy or accuracy of this press release.

This press release contains certain statements regarding the proposed transaction described herein that could be considered as forward-looking information. The forward-looking information is subject to certain risks and uncertainties, which could result in actual results differing materially from the forward-looking statements. There can be no certainty that the transaction will be completed within the timeline set forth herein or all at.