



LANESBOROUGH

Real estate investment trust

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT COMPLETES THE ACQUISITION OF BRANDON APARTMENT PROPERTY

Winnipeg, Manitoba, January 19, 2006 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has completed the previously announced acquisition of a 100% beneficial interest of an 88-suite multi-family apartment property located near 34th Street and Richmond Avenue in the southwest area of Brandon, Manitoba, known as Willowdale Gardens. The purchase price of \$4,326,000 was funded by a cash payment in the amount of \$2.25 Million and the balance by the assumption of existing mortgage financing. LREIT is in the process of finalizing the terms of a new ten-year first mortgage loan in the approximate amount of \$3.7 Million, which is expected to be advanced on or about April 1, 2006.

The approval of the TSX Venture Exchange has been received with respect to the 18.67% beneficial interest acquired from 2668921 Manitoba Ltd. (“2668921”). 2668921 is a “related party” of LREIT by virtue of the fact that all of its shares are owned by the family trust of Arni Thorsteinson, the Chief Executive Officer and a trustee of LREIT and Mr. Thorsteinson is the President of 2668921. 2668921 is also the parent company of Shelter Canadian Properties Limited, the administrator and property manager of LREIT.

LREIT is a real estate investment trust, which is listed on the TSX Venture Exchange under the symbol “LRT.UN”. The objective of LREIT is to provide Unitholders with stable cash distributions from investment in a geographically diversified Canadian portfolio of quality real estate properties. For further information on LREIT, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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This press release contains certain statements 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.

The TSX Venture Exchange 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.