



## LANESBOROUGH

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### LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

#### LANESBOROUGH REIT LEASES FORT McMURRAY PROPERTY

Winnipeg, Manitoba, July 18, 2007 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed, with an effective date of July 1, 2007, the previously announced acquisition of a newly constructed 175-unit multi-family apartment and townhome property in Fort McMurray, Alberta, known as Lakewood Manor. The property, which is located at the corner of Loutit Road and Lougheed Drive, consists of 64 townhomes and a four-storey apartment building containing seven one-bedroom units and 104 two-bedroom units.

The purchase price of \$59.9 Million, including GST (subject to the usual closing adjustments), was funded by two first mortgage loans in the total amount of \$47 Million and the balance in cash. The \$27 Million first mortgage loan on the apartments bears interest at 6.82% for a seven year term and the \$20 Million first mortgage loan on the townhomes bears interest at prime plus 1% for a three year term.

A major oil sands company has leased and occupied all 175 units for a three-year term, which will provide LREIT with an annual absolute net operating income in the amount of \$4,799,800. The agreement provides the tenant with an option to extend the lease for an additional two years at a 10% increase in the annual absolute net operating income. The tenant will also have a three year purchase option to acquire all of the 64 townhome units for \$26,169,600 during year one, \$26,873,600 during year two and \$27,667,200 during year three.

LREIT is a real estate investment trust, which is listed on the Toronto Stock 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. There are currently 17,465,351 trust units outstanding. For further information on LREIT, please visit our website at [www.lreit.com](http://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 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.*