



LANESBOROUGH

Real estate investment trust
2600 Seven Evergreen Place
Winnipeg, Manitoba
R3L 2T3
Tel. 204.475.9090
Fax. 204.475.5505

LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES THE ACQUISITION OF WINNIPEG APARTMENT/OFFICE COMPLEX

Winnipeg, Manitoba, March 18, 2008 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has agreed to acquire a 90% beneficial interest of an apartment/office complex in Winnipeg, Manitoba, known as Colony Square, for \$34.2 Million, subject to the usual closing adjustments. LREIT currently owns a 1.5% beneficial interest and is permitting certain existing owners, who own an aggregate of 8.5% beneficial interest, to remain as part of the ownership syndicate.

Colony Square comprises 1.89 acres located on the south side of Portage Avenue in downtown Winnipeg across from the University of Winnipeg. The complex consists of two apartment towers of 16 and 17 storeys, respectively, a seven-storey office building and a 270-stall underground parkade. The two apartment towers contain a total of 428 suites, comprised of 72 studio/bachelor suites, 296 one-bedroom suites and 60 two-bedroom suites. The office building contains 80,935 square feet of leasable area, with an additional 2,255 square feet of leasable commercial area on the main floors of the apartment towers.

The purchase price of \$34.2 Million for a 90% beneficial interest equates to an effective \$38 Million price for 100% of the property. Based on an estimated 2009 net operating income of \$2.6 Million, the purchase price represents an estimated capitalization rate of 6.8%. The property was appraised, effective December 1, 2007 at \$38.47 Million.

The acquisition will be funded by the pro-rata assumption of a \$21 Million first mortgage loan, bearing interest at 5.5% and maturing in April 2015, and the balance of approximately \$15.3 Million from the proceeds of upward refinanced mortgage loans on existing LREIT properties. The acquisition is scheduled to close on October 1, 2008.

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 17,547,714 trust units outstanding. For further information on LREIT, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

[Arni Thorsteinson](#), Chief Executive Officer, or [Gino Romagnoli](#), Investor Relations
Tel: (204) 475-9090, Fax: (204) 452-5505, Email: info@lreit.com

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.