



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 COMPLETES ACQUISITION OF YELLOWKNIFE PROPERTY

Winnipeg, Manitoba, March 23, 2007 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the acquisition of a 106-suite multi-family apartment property located in Yellowknife, NT for \$15 Million, subject to the usual closing adjustments. The four-storey property, currently known as Nova Court, was completed in 2005 and is comprised of 76 one-bedroom, 28 two-bedroom and two three-bedroom suites. 54 of the one-bedroom suites, which are all located on the main and second floors, are completely furnished. The main floor also contains approximately 8,400 square feet of commercial space. The property is well located on the corner of Range Lake Road and Old Airport Road, adjacent to Stanton Hospital.

The purchase price of \$15 Million, which represents an estimated capitalization rate of 11%, was funded by the assumption of a first mortgage loan in the approximate amount of \$9.28 Million and the balance in cash. The first mortgage loan bears interest at 4.8% and matures in January 2016.

The acquisition of Nova Court increases LREIT’s portfolio of newly constructed apartment properties in Yellowknife to three properties, comprising a total of 276 housing units.

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 17,424,874 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.