



## LANESBOROUGH

REAL ESTATE INVESTMENT TRUST

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### **LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release**

#### **LREIT ANNOUNCES THE CONDITIONAL ACQUISITION OF FIVE APARTMENT PROPERTIES AND THE PRIVATE PLACEMENT OFFERING OF UP TO \$20 MILLION OF TRUST UNITS**

Winnipeg, Manitoba, November 2, 2004 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has conditionally agreed to acquire five multi-family apartment properties, comprising a total of 804 suites and approximately 34,100 square feet of commercial space. The properties, which are located in Yellowknife, NWT, Winnipeg, Manitoba and Windsor, Ontario, are as follows.

1. Nova Village is a 50 suite executive townhouse property, nearing completion, in Yellowknife, NWT. All of the suites are two-storey and contain three-bedrooms, two and a half bathrooms and a single car garage. The acquisition price is \$10.9 Million and is scheduled to close during January 2005, subject to the removal of certain conditions.
2. Nova Court is a 90 suite apartment property, currently under construction, in Yellowknife, NWT. The property will be comprised of 30 one-bedroom, 57 two-bedroom and three three-bedroom suites. The acquisition price is \$12.9 Million and is scheduled to close during April 2005, subject to the removal of certain conditions.
3. Chateau York is a 172 suite, 23-storey apartment property located in downtown Winnipeg, MB. The property is comprised of 103 one-bedroom and 69 two-bedroom suites located on the top 19 floors and a 133-stall parkade located on the first four floors. The acquisition price is \$10.08 Million and is scheduled to close during January 2005, subject to the removal of certain conditions. \$929,600 of the acquisition price will be satisfied by a non-interest bearing vendor take-back mortgage with a two year term.
4. Place Promenade is a five building complex, ranging from three storeys to 20 storeys, located in downtown Winnipeg, MB. The complex contains 378 apartment suites, comprised of 170 one-bedroom, 202 two-bedroom and six bachelor suites, and approximately 26,800 square feet of commercial space. The acquisition price is \$25.92 Million and is scheduled to close during January 2005, subject to the removal of certain conditions. \$2,390,400 of the acquisition price will be satisfied by a non-interest bearing vendor take-back mortgage with a two year term.

5. Ouellette Place is a 114 suite, 16-storey apartment property located in Windsor, ON. The property is comprised of 54 one-bedroom and 60 two-bedroom suites, with a 115-stall covered parkade. The acquisition price is \$7.55 Million and is scheduled to close during January 2005, subject to the removal of certain conditions. \$1,635,000 of the acquisition price will be satisfied by a non-interest bearing vendor take-back mortgage with a two year term

The acquisitions reflect LREIT's ongoing strategy of concentrating on multi-family apartment properties for future property acquisitions.

LREIT also announced today that it has entered into an agreement with Westwind Partners Inc. ("Westwind") pursuant to which Westwind has agreed to place, by way of private placement on a best efforts basis, Trust Units (the "Units") for total gross proceeds of up to \$20 Million (the "Offering"). The Unit financing is scheduled to close during November 2004 and is subject to receipt of all required regulatory and such other necessary approvals.

The net proceeds from the Offering will be used for the purchase of the above noted properties and other properties, which have not yet been unidentified, and for general purposes.

The Units sold pursuant to the private placement may not be resold for a period of four months pursuant to applicable securities law requirements.

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](http://www.lreit.com).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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*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.*