



## LANESBOROUGH

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### LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

#### LANESBOROUGH REIT COMPLETES THE ACQUISITION OF WINNIPEG APARTMENT/OFFICE COMPLEX

Winnipeg, Manitoba, October 1, 2008 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the previously announced acquisition of an apartment/office complex in Winnipeg, Manitoba known as Colony Square. LREIT had previously owned a 1.5% beneficial interest and, with the acquisition, now owns 100% of Colony Square. It had previously been announced that existing owners, who held an aggregate of 9% beneficial interest, would 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 \$38 Million, subject to the usual closing adjustments, was funded by the assumption of a \$20.8 Million first mortgage loan, bearing interest at 5.5% and maturing in April 2015, and the balance of approximately \$17.2 Million from the proceeds of upward refinanced mortgage loans on existing LREIT properties.

Colony Square is 100% occupied and the 2009 net operating income is projected to be \$2.9 Million.

LREIT is a real estate investment trust, which is listed on the Toronto Stock Exchange under the symbols LRT.UN (trust units), LRT.DB.F and LRT.DB.G (convertible debentures). 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 17,565,205 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.