



LANESBOROUGH

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Press Release

LANESBOROUGH REIT COMPLETES THE ACQUISITIONS OF TWO APARTMENT PROPERTIES

Winnipeg, Manitoba, September 1, 2005 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has completed the previously announced acquisition of a 48-suite, luxury multi-family apartment property in Winnipeg, Manitoba, known as Chancellor Gate. The property consists of a four-storey building containing eight one-bedroom, four one-bedroom plus den, 24 two-bedroom plus den and 12 two-bedroom two-bathroom suites and is located in the southwest quadrant of Winnipeg near the intersection of Pembina Highway and Chancellor Drive. The purchase price of \$6.75 Million, subject to the usual closing adjustments, was funded by mortgage financing in the amount of \$5 Million and the balance in cash.

LREIT also announced today that it has completed the previously announced acquisition of a 129-suite, high-rise, multi-family apartment property in Prince Albert, Saskatchewan, known as Marquis Towers. The property consists of a 15-storey, concrete tower containing a total of two bachelor, 98 one-bedroom and 29 two-bedroom suites. The purchase price of \$6.2 Million, subject to the usual closing adjustments, was funded entirely in cash on an interim basis. LREIT is in the process of finalizing the terms of a first mortgage loan in the amount of \$4.8 Million.

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.