PARTNERS REIT ANNOUNCES CONTINUED STRONG GROWTH IN THIRD QUARTER 2012

VICTORIA, BRITISH COLUMBIA – November 9, 2012 – **Partners Real Estate Investment Trust**, (TSX - PAR.UN) announced today continued strong growth and solid performance for the three and nine months ended September 30, 2012.

Q3 FINANCIAL HIGHLIGHTS (Q3/2012 vs Q3/2011):

- NOI up 83% to $7.6 million;
- NOI (same property) increased by 3% to $3.9 million;
- FFO/unit rose to $0.18 from $0.16;
- FFO Cash Payout ratio decreases to 85%;
- AFFO/unit rose to $0.15 from $0.14;
- AFFO Cash Payout ratio decreases to 98%;
- Leverage ratios improved as debt/GBV (including debentures) fell from 73% to 62% and debt/GBV (excluding debentures) fell from 63% to 48%;
- Total assets increased by over 70% to $442 million;
- Total market capitalization increases by 249% to $186 million.

2012 OPERATIONAL HIGHLIGHTS:

- Purchase of nine retail and mixed use properties year-to-date for total acquisition costs of $143.5 million significantly expands and strengthens portfolio;
- Portfolio growth and solid increase in year-to-date same property Net Operating Income fuel significant and accretive increases in Funds from Operations and Adjusted Funds from Operations;
- Successful completion of two bought deal equity offerings and convertible unsecured debenture issue raise $75.5 million in net proceeds to fund growth;
- Balance sheet and liquidity position remain strong with conservative debt and coverage ratios.
- New 15-year lease with Wal-Mart Canada significantly enhances overall quality of tenant base

“We are now beginning to see the considerable benefits of our portfolio growth as we generated solid increases in our key operating and financial performance metrics during the third quarter,” commented Adam Gant, Chief Executive Officer. “Our strong 3% growth in same property NOI, combined with the contribution from recent acquisitions, resulted in FFO and AFFO more than tripling in the quarter compared to last year and a solid increase from the second quarter of 2012.”

“Most importantly, despite the significant increase in the weighted average number of units outstanding this year, our growth has been highly accretive as FFO per Unit and AFFO per Unit rose 13% and 17% respectively through the first nine months of 2012."

Significant Growth

During the first nine months of 2012 the REIT acquired nine well-located retail and mixed-use properties in British Columbia, Alberta, Ontario and Quebec aggregating approximately 569,000 square feet of gross leasable area (“GLA”) for a total purchase price of approximately $143.5 million. The acquisitions were funded by the a new credit facility of $14.0 million bearing interest at 3.6%, the acquisition of new and the assumption of existing mortgages totaling $66.4 million bearing effective interest rates of between 3.58% and 4.3%, $56.2 million in proceeds from the acquisition of NorRock Realty Finance Corporation in the first quarter of 2012, and a portion of the net proceeds from two equity offerings completed on February 8, 2012 and June 13, 2012. During the third quarter proceeds from the REIT’s convertible debenture offering were used to repay the credit facility and the REIT secured a new variable-rate, revolving credit facility in order to fund future acquisitions.

With these acquisitions, the REIT’s portfolio at September 30, 2012 consisted of 30 well-located retail and mixed-use properties in Ontario, Quebec, Manitoba, British Columbia and Alberta aggregating approximately 2.2 million square feet of GLA.

Subsequent to the end of the third quarter the REIT announced it would be acquiring two retail centres in Montreal aggregating approximately 105,000 square feet for a purchase price of approximately $21.9 million.

Strong Operating Performance

Weighted average occupancy at September 30, 2012 was 96.4%, up from 94.1% at the end of the second quarter of 2012 and compared to 98.2% at the same time last year. The increase from the second quarter of 2012 is due to improved leasing across the portfolio, offset by lower occupancies at certain recently acquired properties and vacancies at certain other properties due to ongoing re-positioning and redevelopment initiatives.

Net Operating Income ("NOI") increased to $7.6 million and $20.7 million in the third quarter and first nine months of 2012, respectively, compared to $4.1 million and $10.8 million in the prior year due primarily to the contribution from acquisitions completed over the prior twelve months. Same property NOI in the third quarter increased a strong 3.0% due primarily to increased rent at a Quebec property resulting from a new lease with Wal-Mart. For the nine months of 2012, same property NOI rose approximately 1.4% due primarily to higher occupancies and increased base rent revenue.

Funds from Operations ("FFO") increased to $3.7 million ($0.18 per unit) and $9.7 million ($0.53 per unit) for the three and nine months ended September 30, 2012, respectively, compared to $1.3 million ($0.16 per unit) and $3.6 million ($0.47 per unit) for the same comparable periods last year. The increases were due primarily to the contribution from acquisitions completed over the prior twelve months. The REIT's FFO cash payout ratio improved to 85% and 87% in the three and nine months ended September 30, 2012, respectively, compared to 92% and 98% in the same periods last year.

Adjusted Funds from Operations ("AFFO") also rose significantly to $3.3 million ($0.15 per unit) and $8.6 million ($0.48 per unit) for the three and nine months ended September 30, 2012, respectively, from $1.1 million ($0.14 per unit) and $3.2 million ($0.41 per unit) for the same prior-year periods. The AFFO cash payout ratio improved to 98% and 97% in the three and nine months ended September 30, 2012, respectively, compared to 106% and 111% in the same periods last year.

The REIT's growth has been accretive on a per Unit basis through the first nine months of 2012 despite the 135% increase in the weighted average number of units outstanding as at September 30, 2012 compared to the same time last year.

Active Leasing

Management remains committed to actively pursuing new leases and lease renewals with the objective of increasing occupancy and weighted average rental income per square foot of gross leasable area. One of the REIT's goals is to generate organic growth through redevelopment and lease renewal activities at its existing centres. As at November 8, 2012 the REIT had lease renewals and new leases of approximately 203,600 square feet. The weighted average rent, including any material new and renewed leases completed by November 8, 2012, was $11.25 per square foot, an increase of $0.77 per square foot from the weighted average rent for leases that expire during the year.

Solid Financial Position

As at September 30, 2012 the REIT's ratio of debt to gross book value improved to 48.3% (62.0% including convertible debentures) compared to 62.9% (73.0% including convertible debentures) at December 31, 2011. Interest coverage and debt service coverage ratios improved to 2.08 times and 1.44 times, respectively, as at September 30, 2012 from 1.70 times and 1.26 times as at December 31, 2011. During the first nine months of 2012 the REIT acquired, assumed and increased mortgages totaling approximately $66.4 million on properties acquired during the period. Overall, the REIT's mortgage portfolio incurred a weighted average effective interest rate of 4.64% at September 30, 2012, an improvement from the 4.95% as at December 31, 2011, with a weighted average term to maturity of approximately 3 years. Over the next two years, the REIT has approximately $45.9 million of debt maturing which carries an average effective interest rate of 5.14%. Management expects to refinance this debt at lower interest rates, positively impacting the REIT's future cash flows. Interest expense savings from refinancing at current market rates are anticipated to continue through 2012 and into the following year.

Recent Events

On September 5, 2012, the REIT closed a public offering of $34.5 million, including an overallotment options, of 6.0% convertible unsecured subordinated debentures maturing on September 30, 2017. The debentures are convertible into units of the REIT at the option of the holder at a conversion price of $10.35 per unit. The REIT received net proceeds of approximately $32.7 million from the offering, which was used to partially repay the outstanding credit facilities.

During the third quarter, the REIT secured a revolving credit facility from a consortium of Canadian chartered banks of up to a formula-based maximum not to exceed $20 million (expandable to $50 million), bearing interest at the bank's prime rate plus 1.0% per annum or the Banker's Acceptance stamping fee plus 2.25% per annum. This facility is currently secured by the King George Square and Crossing Bridge Square properties. As at September 30, 2012, the formula-based amount available under this facility was $15.0 million with no draws made. The facility is renewable annually.

On October 1, 2012 the REIT announced it had agreed to acquire two well-located retail centres situated in close proximity on Nun's Island in Montreal, Quebec. The Centre Village Shopping Centre is a 95,000 square foot retail property anchored by a Loblaws grocery store and a newly-expanded SAQ liquor store, as well as a Royal Bank and a new Starbucks coffee shop. Centre Village is 97% leased. Elgar Place, located nearby, is an 80% occupied 10,000 square foot retail centre anchored by a Couche-Tard convenience store. The REIT will pay approximately $21.9 million for the two properties, utilizing the REIT's credit facility. The two centres are estimated to generate current in-place annualized Net Operating Income of approximately $1.4 million and $0.6 million in annualized Funds from Operations. The transaction is expected to close during the fourth quarter of 2012.

On October 9, 2012 the REIT announced it had entered into a new fifteen-year lease agreement with Wal-Mart Canada Corp. for approximately 90,000 square feet (plus basement storage space) at the REIT's Méga Centre retail property in St. Laurent, (Montreal) Québec. It is anticipated the new Wal-Mart store will open by the second quarter of 2013

The REIT also announced today that it has agreed to acquire a 43,774 square foot, new format retail centre in Timmins, Ontario. The Timmins West Power Centre is a 100% leased, open-air centre, shadow-anchored by Canadian Tire and Home Depot. The property includes three separate buildings individually occupied by Michaels, Mark's Work Wearhouse, and Reitmans.

The purchase price for the property is approximately $9.95 million, which will be funded by way of assumption of a first mortgage from a Canadian bank for $4.94 million at a rate of 5.998%, maturing in September 2018, where a mark-to-market adjustment to the price of $215,600 was made resulting in an effective rate of approximately 4%, and utilization of the REIT's credit line. The in-place net operating income of $805,000 provides an implied CAP rate of 8.09% and will produce Funds from Operations of approximately $425,000. This new property provides the REIT an opportunity to acquire a stable, accretive, new format retail centre.

The REIT also announced that the Board of Trustees, based on the recommendation of its Audit Committee, has appointed KPMG LLP ("KPMG") as the auditor of the REIT. At the request of the REIT, Deloitte & Touche LLP ("Deloitte") has resigned as the auditor of the REIT.

There were no reservations in Deloitte's audit reports for the fiscal years ended December 31, 2011 and 2010 or any subsequent period, and there are no reportable events, as such term is defined in National Instrument 51-102, between the REIT and Deloitte. The REIT will be filing the required reporting package in accordance with National Instrument 51-102.

Investor Conference Call

A conference call to discuss the recent operating and financial results will be hosted by Adam Gant, Chief Executive Officer and Patrick Miniutti, President, on Tuesday, November 13, 2012 at 2:30 pm ET (11:30 am PT). The telephone numbers for the conference call are Local / International: (416) 849-2698 and North American Toll Free: (866) 400-2270. The telephone numbers to listen to the call after it is completed (Instant Replay) are Local / International (416) 915-1035 or North American toll free (866) 245-6755. The Passcode for the Instant Replay is 601232#. A recording of the call will also be available on the REIT's web site at www.partnersreit.com.

Financial Highlights

Three months ended	As at and for the three months ended Sept. 30, 2012	Sept. 30, 2011	As at and for the nine months ended Sept. 30, 2012	Sept. 30, 2011
Revenues from income producing properties	**$ 11,195,642**	$ 6,157,707	**$ 31,575,199**	$ 16,695,709
Net income and comprehensive income	**3,526,175**	2,113,239	**10,715,642**	4,192,601
Net income per unit - basic & diluted	**0.16**	0.27	**0.59**	0.54
NOI (1)	**7,576,746**	4,137,945	**20,714,126**	10,802,497
NOI - same property (1)	**3,935,186**	3,820,901	**8,892,514**	8,772,970
FFO(1)	**3,749,640**	1,262,428	**9,686,097**	3,602,159
FFO per unit(1)	**0.18**	0.16	**0.53**	0.47
AFFO(1)	**3,265,885**	1,098,450	**8,648,584**	3,168,978
AFFO per unit(1)	**0.15**	0.14	**0.48**	0.41
Distributions(2)	**3,433,006**	1,243,624	**8,867,778**	3,722,820
Distributions per unit(2)	**0.16**	0.16	**0.48**	0.48
Cash distributions(3)	**3,200,629**	1,162,701	**8,405,749**	3,526,056
Cash distributions per unit(3)	**0.15**	0.15	**0.46**	0.46
Cash distribution payout ratio(4)	**85% / 98%**	92% / 106%	**87% / 97%**	98% / 111%

As at	Sept. 30, 2012	Dec. 31, 2011	Sept. 30, 2011
Total assets	**$ 442,496,388**	$ 265,748,040	$ 256,486,723
Total debt(5)	**280,307,968**	202,592,032	197,559,240
Total equity	**151,394,633**	56,406,374	54,520,123
Weighted average units outstanding - basic	**18,181,355**	14,306,130	7,740,415
Debt-to-gross book value including debentures(5)	**62.0%**	73.0%	73.3%
Debt-to-gross book value excluding debentures(5)	**48.3%**	62.9%	62.9%
Interest coverage ratio(6)	**2.08**	1.70	1.65
Debt service coverage ratio(6)	**1.44**	1.26	1.26
Weighted average interest rate(7)	**4.64%**	4.95%	5.42%
Portfolio occupancy	**96.4%**	98.0%	98.2%

(1) Net operating income or "NOI", funds from operations or "FFO", and adjusted funds from operations or "AFFO" are non-IFRS financial measures widely used in the real estate industry. See "Part II – Performance Measurement" for further details and advisories.
(2) Represents distributions to unitholders on an accrual basis. Distributions are payable as at the end of the period in which they are declared by the Board of Trustees, and are paid on or around the 15th day of the following month. Distributions per unit exclude the 5% bonus units given to participants in the Distribution Reinvestment and Optional Unit Purchase Plan.
(3) Represents distributions on a cash basis, and as such, excludes the non-cash distributions of units issued under the Distribution Reinvestment and Optional Unit Purchase Plan.
(4) Cash distributions as a percentage of funds from operations/adjusted funds from operations.
(5) See calculation under "Debt-to-Gross Book Value" in "Part III – Results of Operations."
(6) Calculated on a rolling four-quarter basis. See definition under "Mortgages and Other Financing" in "Part III – Results of Operations".
(7) Represents the weighted average effective interest rate for secured debt excluding debentures and credit facilities.

For the complete Financial Statements and Management's Discussion and Analysis for the period, please visit www.sedar.com or www.partnersreit.com.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) 30 retail properties located in Ontario, Quebec, Manitoba, Alberta and British Columbia aggregating approximately 2.2 million square feet of leasable space. Partners REIT focuses on expanding and managing a portfolio of retail and mixed-use community and neighbourhood shopping centres located in both primary and secondary markets across Canada.

Certain statements included in this press release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect," "will" and similar expressions to the extent they relate to Partners REIT. The forward-looking statements are not historical facts but reflect Partners REIT's current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the timing of the offering, success *of the offering, listing of the units, use of proceeds of the Offering, access to capital, regulatory approvals, intended acquisitions and general economic and industry conditions. Although Partners REIT believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein.*

For more information, contact Patrick Miniutti, President (250) 940-5500.