

Consolidated Financial Statements of

**WESTFIELD REAL ESTATE
INVESTMENT TRUST**

June 30, 2006 and 2005
(Unaudited)

WESTFIELD REAL ESTATE INVESTMENT TRUST

Consolidated Balance Sheets

(Thousands of dollars)	June 30, 2006 (unaudited)	December 31, 2005
ASSETS		
Income-producing properties (note 4)	\$ 301,116	\$ 209,658
Other assets (note 5)	58,452	47,984
Deferred financing costs, net of accumulated amortization of \$424 (2005, \$124)	4,023	2,523
Deposits on income-producing properties	1,788	425
Prepaid expenses	2,818	271
Rent and other receivables	1,965	1,447
Cash held in trust	1,043	1,033
Cash and cash equivalents	39,243	9,927
	\$ 410,448	\$ 273,268
LIABILITIES AND UNITHOLDERS' EQUITY		
Liabilities:		
Mortgages and loans payable (note 6)	\$ 231,131	\$ 168,889
Convertible debentures (note 7)	44,878	21,945
Intangible liabilities (note 8)	10,503	7,299
Security deposits and prepaid rent	1,215	964
Accounts payable and other liabilities (note 9)	5,242	4,811
	292,969	203,908
Unitholders' equity:		
Capital contributions (note 10)	120,769	70,151
Contributed surplus	245	176
Equity component of convertible debentures (note 7)	12,614	5,024
Deficit	(16,149)	(5,991)
	117,479	69,360
Subsequent events (note 14)	\$ 410,448	\$ 273,268

See accompanying notes to consolidated financial statements.

On behalf of the Board:

(Signed) "Armin Martens" Trustee

(Signed) "Wayne Townsend" Trustee

WESTFIELD REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Operations and Deficit (unaudited)

(Thousands of dollars, except unit and per unit amounts)

	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Revenue	\$ 11,932	\$ 854	\$ 21,289	\$ 1,368
Property operating expenses	3,912	209	7,550	341
Interest	8,020	645	13,739	1,027
	3,986	212	6,892	380
Expenses:	4,034	433	6,847	647
Corporate	1,125	59	1,555	110
Amortization	5,906	478	10,739	712
Loss before gain (loss) on disposal of income-producing properties	7,031	537	12,294	822
	(2,997)	(104)	(5,447)	(175)
Gain (loss) on disposal of income-producing properties	(113)	-	828	-
Loss for the period	(3,110)	(104)	(4,619)	(175)
Deficit, beginning of period	(9,927)	(384)	(5,991)	(142)
	(13,037)	(488)	(10,610)	(317)
Distributions (note 11)	(3,112)	(194)	(5,539)	(365)
Deficit, end of period	\$ (16,149)	\$ (682)	\$ (16,149)	\$ (682)
Basic and diluted loss per unit	\$ (0.262)	\$ (0.082)	\$ (0.444)	\$ (0.145)

See accompanying notes to consolidated financial statements.

WESTFIELD REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Cash Flows (unaudited)

(Thousands of dollars)

	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Cash provided by (used for):				
Operating activities:				
Loss for the period	\$ (3,110)	\$ (104)	\$ (4,619)	\$ (175)
Adjustments for non cash items:				
Amortization:				
Income-producing properties	2,211	153	4,017	274
Office equipment	1	-	2	-
Above-market rent	56	3	110	5
Acquired in-place leases	3,470	310	6,341	416
Customer relationships	5	14	11	18
Deferred financing costs	185	32	319	35
Below-market rent	(661)	(211)	(1,191)	(233)
Tenant inducements and leasing costs	33	-	49	-
Above-market mortgage	(15)	-	(24)	-
Accretion on liability component of convertible debentures	326	-	523	3
Straight-line rent adjustment	(220)	-	(385)	-
(Gain) loss on disposal of income-producing rental properties	113	-	(828)	-
Unit based compensation expense	40	-	80	-
	2,434	197	4,405	343
Change in the following:				
Rent and other receivables	387	(44)	(131)	(36)
Cash held in trust	3,121	-	(10)	-
Prepaid expenses	(2,447)	(119)	(2,548)	(121)
Accounts payable and other liabilities	(220)	(56)	431	84
Security deposits and prepaid rent	102	-	250	7
	3,377	(22)	2,397	277
Investing activities:				
Acquisition of income-producing properties, net of related debt (note 3)	(20,283)	-	(46,097)	(2,955)
Dispositions of income-producing properties, net of mortgages and costs (note 3)	1,299	-	3,440	-
Net change to income-producing properties	60	-	67	-
Purchase of office equipment	(13)	-	(15)	-
Additions to tenant inducements and leasing costs	(345)	-	(584)	-
Changes in deposits on income-producing properties	(1,188)	(200)	(1,363)	(43)
	(20,470)	(200)	(44,552)	(2,998)
Financing activities:				
Issuance of units, net of issue costs	211	857	50,607	1,345
Issuance of convertible debentures	30,000	-	30,000	-
Distributions paid	(3,112)	(194)	(5,539)	(365)
Mortgages and loans principal repayments	(972)	(40)	(1,779)	(82)
Deferred financing costs	(1,544)	15	(1,818)	(66)
	24,583	638	71,471	832
Increase (decrease) in cash and cash equivalents	7,490	416	29,316	(1,889)
Cash and cash equivalents at beginning of period	31,753	965	9,927	3,270
Cash and cash equivalents at end of period	\$ 39,243	\$ 1,381	\$ 39,243	\$ 1,381
Supplementary cash flow information:				
Interest paid, net of interest received	\$ 2,902	\$ 178	\$ 5,488	\$ 340

See accompanying notes to consolidated financial statements.

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

1. Organization:

Westfield Real Estate Investment Trust (the REIT) is an unincorporated closed-end real estate investment trust created under, and governed by, the laws of the province of Manitoba and was created pursuant to the Declaration of Trust dated November 8, 2004, when one REIT unit was issued for cash. The purpose of the REIT is to directly, or indirectly, own, manage, lease and (where appropriate) develop retail, industrial and office properties in Canada.

These interim consolidated financial statements present the financial position of the REIT as at June 30, 2006 and the results of operations and cash flows for the three and six month periods ended June 30, 2006.

2. Significant accounting policies:

These interim consolidated financial statements of Westfield Real Estate Investment Trust (the REIT) have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). These interim consolidated financial statements follow the same accounting principles and methods of application as those disclosed in note 2 to the REIT's audited financial statements as at and for the year ended December 31, 2005 (2005 Audited Financial Statements). The REIT's interim consolidated financial statements do not include all disclosures required by GAAP for annual consolidated financial statements and, accordingly, should be read in conjunction with the 2005 Audited Financial Statements.

The preparation of interim consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Acquisitions and disposition of income-producing properties:

Acquisitions:

During the first six months of 2006, the REIT acquired the following properties. These acquisitions have been accounted for by the purchase method, with the results of operations included in the REIT's accounts from the dates of acquisition.

<i>Property</i>	<i>Location</i>	<i>Acquisition Date</i>	<i>Type</i>
Northwest Centre	4500 and 4520-16th Ave. NW Calgary, AB	February 28, 2006	Office
Southwood Corner	10233 Elbow Drive Calgary, AB	March 31, 2006	Retail
Circle 8	8th Street and Circle Drive Saskatoon, SK	March 31, 2006	Retail
Reenders Square	3-11 Reenders Drive Winnipeg, MB	March 31, 2006	Retail

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

3. Acquisitions and dispositions of income-producing properties (continued):

Acquisitions (continued):

<i>Property</i>	<i>Location</i>	<i>Acquisition Date</i>	<i>Type</i>
Sunridge Spectrum	Sunridge & 32nd St. NE Calgary, AB	May 31, 2006	Retail
McCall Lake	1338-36 Ave. NE Calgary, AB	June 30, 2006	Industrial

During the first six months of 2005, the REIT acquired the following properties. These acquisitions have been accounted for by the purchase method, with the results of operations included in the REIT's accounts from the dates of acquisition.

<i>Property</i>	<i>Location</i>	<i>Acquisition Date</i>	<i>Type</i>
Royal Square	15 Worobetz Place Saskatoon, SK	February 1, 2005	Retail
Capital City Centre	1825 & 1875 E. Victoria Ave. Regina, SK	February 2, 2005	Retail

The net assets acquired including acquisition costs were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Land	\$ 14,150	\$ -	\$ 33,255	\$ 3,938
Buildings	23,865	-	61,146	4,278
Parking lots	1,200	-	2,200	220
Improvements	1,783	-	5,061	831
Acquired in-place leases	4,892	-	18,114	1,962
Above-market rent	53	-	60	15
Customer relationships	-	-	-	97
Below-market rent	(2,327)	-	(4,506)	(626)
Long-term debt including acquired above-market mortgage	(23,333)	-	(69,233)	(7,760)
Cash consideration	\$ 20,283	\$ -	\$ 46,097	\$ 2,955
Acquisition costs	\$ 966	\$ -	\$ 3,250	\$ 225

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

3. Acquisitions and dispositions of income-producing properties (continued):

Dispositions:

During 2006, the REIT disposed of the following properties:

<i>Property</i>	<i>Location</i>	<i>Disposition Date</i>	<i>Type</i>
Edgemont Mall	4150 Edgemont Blvd. N.W. Calgary, AB	January 12, 2006	Retail
Keystone Village Mall	1300-17th Street Brandon, MB	June 15, 2006	Retail

The proceeds from the sale of Edgemont Mall, net of costs, were \$5,117. Consideration received was the assumption of the existing mortgage in the amount of \$2,976 and cash in the amount of \$2,141. The assets, intangible assets and liabilities associated with the property were removed from the books and a gain on sale of property in the amount of \$941 was recorded.

The proceeds from the sale of Keystone Village Mall, net of costs, were \$3,510. Consideration received was the assumption of the existing mortgage in the amount of \$2,211 and cash in the amount of \$1,299. The assets, intangible assets and liabilities associated with the property were removed from the books and a loss on sale of property in the amount of \$113 was recorded.

4. Income-producing properties:

			June 30, 2006 (unaudited)	December 31, 2005
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 84,493	\$ -	\$ 84,493	\$ 52,365
Buildings	187,668	2,685	184,983	130,333
Leasehold interest	8,015	185	7,830	7,926
Improvements	20,486	2,925	17,561	14,712
Parking lots	6,420	171	6,249	4,322
	\$ 307,082	\$ 5,966	\$ 301,116	\$ 209,658

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

5. Other assets:

			June 30, 2006 (unaudited)	December 31, 2005
	Cost	Accumulated amortization	Net book value	Net book value
Acquired in-place leases	\$ 65,460	\$ 8,827	\$ 56,633	\$ 46,644
Above-market rent	1,038	180	858	915
Customer relationships	115	43	72	84
Tenant inducements and leasing costs	926	58	868	333
Office equipment	24	3	21	8
	\$ 67,563	\$ 9,111	\$ 58,452	\$ 47,984

6. Mortgages and loans payable:

Substantially all of the REIT's assets have been pledged as security under mortgages and other security agreements. The mortgages and loans payable bear interest at a weighted average rate of 5.48% at June 30, 2006 (2005, 5.83%) with maturity dates ranging from November 2, 2006 to April 1, 2016. All mortgages and loans bear interest at fixed rates except for the first mortgages payable secured by two of the income-producing properties, Johnston Terminal and Grain Exchange. The balance of these mortgages at June 30, 2006 is \$14,310 and they bear interest at the prime interest rate plus 1/8 % and 3/8 %, respectively.

Principal payment requirements on the mortgages and loans payable are as follows:

	June 30, 2006 (unaudited)
For the twelve month period ended:	
June 30, 2007	\$ 23,534
June 30, 2008	8,570
June 30, 2009	9,623
June 30, 2010	4,582
June 30, 2011	31,286
June 30, 2012 and thereafter	152,866
	230,461
Above-market mortgage adjustment	670
	\$ 231,131

Acquisition in the prior year of one property, known as Sears Centre, was concluded on an agreement for sale basis. Title to the Sears Centre property is held in escrow pending satisfaction of the outstanding vendor loan. In accordance with the Purchase Agreement, payment of the vendor loan and the subsequent release of title may occur any time up to, but must be concluded by, December 15, 2006.

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

7. Convertible debentures:

Particulars of the REIT's outstanding convertible debentures as at June 30, 2006 are as follows:

Convertible debenture issue	7.25% convertible	Series A convertible redeemable	Series B convertible redeemable	Series C convertible redeemable	Total
Issue date	August 3, 2005	August 4, 2005	November 9, 2005	May 4, 2006	
Interest rate	7.25%	7.75%	7.5%	6.25%	
Face value	\$ 875	\$ 15,000	\$ 10,862	\$ 30,000	\$ 56,737
Equity portion	46	2,831	2,147	7,590	12,614
Liability portion	829	12,169	8,715	22,410	44,123
Accretion to					
June 30, 2006	42	388	205	120	755
Carrying value					
June 30, 2006	\$ 871	\$ 12,557	\$ 8,920	\$ 22,530	\$ 44,878

Accretion to the carrying value of the debt component was \$326 in the three month period ended June 30, 2006 (\$523 in the six month period ended June 30, 2006).

For the comparable period of 2005, the REIT had one 8% convertible redeemable debenture outstanding with a carrying value of \$115. No accretion of was recorded in the period. The balance of the convertible debentures were fully converted prior to December 31, 2005.

8. Intangible liabilities:

			June 30, 2006 (unaudited)	December 31, 2005
	Cost	Accumulated amortization	Net book value	Net book value
Below-market rent	\$ 12,405	\$ 1,902	\$ 10,503	\$ 7,299

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

9. Accounts payable and other liabilities:

	June 30, 2006 (unaudited)	December 31, 2005
Accounts payable and accrued liabilities	\$ 4,204	\$ 4,115
Distributions payable (note 11)	1,038	696
	\$ 5,242	\$ 4,811

10. Capital contributions:

(a) Authorized:

The REIT may issue an unlimited number of units pursuant to the Declaration of Trust. Each unit represents an equal fractional undivided beneficial interest in any distributions from the REIT and in the net assets in the event of termination or wind-up of the REIT. All units are of the same class with equal rights and privileges. Effective February 1, 2006, the REIT consolidated its units on a 15 for one basis. All unit and per unit disclosures are presented on a post-consolidation basis.

(b) Issued:

Units stated on a post consolidation basis	Number of units	Amount
Balance at December 31, 2004	1,080,799	\$ 4,886
Private placements, net of issue costs of \$4,739	6,683,564	64,172
Conversion of convertible debentures	101,571	526
Warrants exercised	29,889	179
Broker warrants exercised	27,991	151
Options exercised	36,000	237
Balance at December 31, 2005	7,959,814	70,151
Public offering, net of issue costs of \$3,676	3,862,000	50,391
Options exercised	36,000	227
Fractional units eliminated on consolidation	(6)	-
Balance at June 30, 2006	11,857,808	\$ 120,769

On June 27, 2006, Westfield announced its new Distribution Reinvestment Plan ("DRIP"). Under the terms of the DRIP, Unitholders now have the option to elect to receive all or a portion of their regular monthly distributions in additional REIT units.

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

10. Capital contributions (continued):

(c) Unit options:

The REIT has a unit option plan which is administered by the Board of Trustees of the REIT with unit options granted to trustees, management, employees and consultants as a form of compensation. The total number of units reserved under option for issuance may not exceed 10% of the units outstanding.

A summary of the REIT's unit options are as follows:

	2006		2005	
	Units	Weighted average exercise price	Units	Weighted average exercise price
Balance at December 31, 2005	348,393	\$ 10.286	100,000	\$ 6.000
Granted	-	-	-	-
Exercised	36,000	6.000	-	-
Balance at June 30, 2006	312,393	\$ 10.779	100,000	\$ 6.000
Options exercisable at June 30, 2006	99,098		100,000	
Weighted average fair value per unit of options granted during the period		\$ -		\$ -

Options outstanding at June 30, 2006 consist of the following:

Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Options outstanding weighted average exercise price	Number exercisable
\$6.00	28,000	3.50 years	\$6.00	28,000
\$11.25	284,393	4.50 years	\$11.25	71,098
	312,393		\$10.779	99,098

The compensation expense related to unit options granted under the unit option plan for the three months ended June 30, 2006 amounted to \$40 (2005, nil) and for the six months ended June 30, 2006 amounted to \$80 (2005, nil). The balance of contributed surplus at June 30, 2006 of \$8 relates to unexercised options issued December 20, 2004. The compensation expense was determined based on the fair value of the options at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected option life	5 years
Risk-free interest rate	4%
Dividend yield	9.3%
Expected volatility	41.12%

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

10. Capital contributions (continued):

(d) Weighted average units:

The weighted average number of units outstanding for the three month period ended June 30, 2006 is 11,850,099 (2005, 1,269,728) and for the six month period ended June 30, 2006 is 10,392,545 (2005, 1,205,710). The computation of diluted loss per unit for the periods ended June 30, 2006 and 2005 does not include convertible debentures, warrants and unit options as these instruments are anti-dilutive.

11. Distributions to unitholders:

Distributable Income, which is defined in the Declaration of Trust, means net income in accordance with generally accepted accounting principles, subject to certain adjustments as set out in the Declaration of Trust, including: (i) adding back amortization (excluding leasing costs) and accretion to the carrying value of debt and (ii) excluding gains or losses on the disposition of any asset, and (iii) adding or deducting other adjustments as determined by the Trustees at their discretion. Distributable Income is a not a generally accepted accounting principles financial measure and should not be construed as an alternative to net income or cash flow from operating activities determined in accordance with generally accepted accounting principles as an indicator of the REIT's performance.

The REIT declared distributions to unitholders of record in the amount of \$3,112 in the three months ended June 30, 2006 (2005, \$194) and \$5,539 for the six months ended June 30, 2006 (2005, \$365). The amount payable at June 30, 2006 is \$1,038. (2005, \$696).

12. Related party transactions:

	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Legal fees	\$ 426	\$ 35	\$ 609	\$ 84
Advisory fees	201	26	361	26
Acquisition fees	213	12	568	20
Property management fees	404	-	730	-
Leasing commissions	149	-	248	-
Renovation fees	33	-	85	-
Consultation fees	34	-	34	-
Interest expense	28	-	62	-

The REIT incurs legal fees with a law firm associated with a Trustee of the REIT in connection with the prospectus offerings, the property acquisitions and general business matters. The amount payable at June 30, 2006 is \$124.

The REIT incurs advisory fees and acquisition fees under the asset management agreement with Marwest Management Canada Ltd, a company owned and controlled by certain trustees and officers of the REIT. There is no balance payable at June 30, 2006.

The REIT incurs property management fees, leasing commission fees, and renovation fees under the property management agreement with Marwest Management Canada Ltd. The amount payable at June 30, 2006 is \$90.

The REIT incurs consultation fees with an engineering firm associated with a Trustee of the REIT. There is no balance payable at June 30, 2006.

The REIT incurs interest expense on the \$875 convertible debenture issued to a corporation under the control of certain Trustees of the REIT. The amount payable at June 30, 2006 is \$58.

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

12. Related party transactions (continued):

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

13. Segmented information:

The REIT owns and operates various retail, office and industrial properties located in western Canada. Information related to these property types is presented below. REIT expenses as well as interest and amortization of deferred financing costs relating to the convertible debentures have not been allocated to the segments.

	Three months ended June 30, 2006			
	Retail	Office/Industrial	REIT	Total
Revenue	\$ 6,244	\$ 5,277	\$ 411	\$ 11,932
Property operating expenses	1,562	2,350	-	3,912
Interest	4,682	2,927	411	8,020
	1,739	1,113	1,134	3,986
Corporate expenses	2,943	1,814	(723)	4,034
Amortization	-	-	1,125	1,125
	2,972	2,812	122	5,906
Loss on disposal of income-producing property	(29)	(998)	(1,970)	(2,997)
	-	-	(113)	(113)
Loss for the period	\$ (29)	\$ (998)	\$ (2,083)	\$ (3,110)
Total assets	\$ 228,374	\$ 140,736	\$ 41,338	\$ 410,448

	Three months ended June 30, 2005			
	Retail	Office/Industrial	REIT	Total
Revenue	\$ 847	\$ -	\$ 7	\$ 854
Property operating expenses	209	-	-	209
Interest	638	-	7	645
	194	-	18	212
Corporate expenses	444	-	(11)	433
Amortization	-	-	59	59
	475	-	3	478
Loss for the period	\$ (31)	\$ -	\$ (73)	\$ (104)
Total assets	\$ 18,646	\$ -	\$ 1,603	\$ 20,249

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

13. Segmented information (continued):

	Six months ended June 30, 2006			
	Retail	Office/Industrial	REIT	Total
Revenue	\$ 10,537	\$ 10,183	\$ 569	\$ 21,289
Property operating expenses	2,799	4,751	-	7,550
Interest	7,738	5,432	569	13,739
	2,923	2,135	1,833	6,891
Corporate expenses	4,815	3,297	(1,264)	6,848
Amortization	-	-	1,555	1,555
	5,014	5,510	215	10,739
Gain on disposal of income-producing properties	(199)	(2,213)	(3,034)	(5,446)
	-	-	828	828
Loss for the period	\$ (199)	\$ (2,213)	\$ (2,206)	\$ (4,618)
Total assets	\$ 228,374	\$ 140,736	\$ 41,338	\$ 410,448

	Six months ended June 30, 2005			
	Retail	Office/Industrial	REIT	Total
Revenue	\$ 1,356	\$ -	\$ 12	\$ 1,368
Property operating expenses	341	-	-	341
Interest	1,015	-	12	1,027
	363	-	17	380
Corporate expenses	652	-	(5)	647
Amortization	-	-	110	110
	709	-	3	712
Loss for the period	\$ (57)	\$ -	\$ (118)	\$ (175)
Total assets	\$ 18,646	\$ -	\$ 1,603	\$ 20,249

WESTFIELD REAL ESTATE INVESTMENT TRUST

Notes to Consolidated Financial Statements (unaudited)

Six months ended June 30, 2006 and 2005

(Thousands of dollars, except unit and per unit amounts)

14. Subsequent events:

On July 13, 2006, Heritage Square office building in Calgary, Alberta was acquired for \$61,300. The purchase price was satisfied with mortgage financing in the amount of \$39,650, a 3-year \$5,000 vendor take back loan bearing interest at 6% and the balance in cash.

On July 14, 2006, Franklin Showcase Warehouse in Calgary, Alberta was acquired for \$7,790. The purchase price was satisfied with mortgage financing in the amount of \$5,100 and the balance in cash.

On July 17, 2006, Horizon Heights in Calgary, Alberta was acquired for \$18,000. The purchase price was satisfied by assuming the existing mortgage in the amount of \$9,700 and the balance in cash.

On August 4, 2006, the \$875 interim financing debenture matured. The holder, a corporation under the control of certain Trustees of the REIT, exercised its option and converted in full and the REIT issued 145,833 units at the exercise price of \$6.

On July 19, 2006, 16,000 of the outstanding Directors and Officers options were exercised at a price of \$6.00 per unit. On July 19, 1,066 units were issued to trustees of the REIT as partial payment for services rendered. On August 9, 2006, 5,000 options were exercised at a price of \$11.25. The units were issued at fair market value.