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FOR IMMEDIATE RELEASE

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WESTFIELD REAL ESTATE INVESTMENT TRUST ANNOUNCES ACQUISITION OF \$16.875 MILLION OF WESTERN CANADIAN RETAIL AND OFFICE PROPERTIES

Westfield Real Estate Investment Trust (TSXV: WRT.UN) ("Westfield REIT") is pleased to announce the acquisition of the Plainsman Building in B.C. and the Gateway Power Centre in Alberta. The aggregate purchase price of \$16,875,000 represents an average going-in unlevered return ("capitalization rate") of 7.8% on the two acquisitions.

The Plainsman Building is a four-storey office building located at 301 Victoria Street in Kamloops, B.C. This newer professional building (1999/2000 construction) has 35,252 sq. ft. of leasable area and is 100% occupied. The property is located in the downtown commercial core of Kamloops and its significant tenancies include TD Canada Trust, TD Evergreen, the B.C. Government and McDonald's, with overall rents averaging \$17.85 per square foot.

The Plainsman Building was acquired for \$8.23 million; \$3.80 million was satisfied in cash while the balance was financed through the assumption of an existing 5.5% mortgage on the property.

The Gateway Power Centre is an open retail power centre development located at 111th Street and 105A Avenue in Grande Prairie, Alberta, including high draw tenants such as Wal-Mart, London Drugs and Save-On Foods. The commercial retail units (CRU) space is 100% occupied with a variety of tenants including Canada Post, M&M Meats, and Subway, and is anchored by an 18,266 sq. ft. Future Shop. Management believes that leases in both buildings are at below market rates.

The Gateway Centre was acquired for \$8.65 million; \$3.39 million was satisfied in cash while the balance was financed through the assumption of an existing 5.16% mortgage on the property.

"Westfield REIT is pleased to add these accretive acquisitions to our portfolio and to further our reach in the growing secondary markets in western Canada. The Gateway Centre acquisitions offer even further upside potential with what we believe are in-place below-market leases," said Armin Martens, CEO of Westfield REIT.

To date, Westfield REIT has acquired \$208.0 million of assets, or 1.63 million sq. ft. of leasable area. In addition, Westfield REIT has removed conditions and expects to close on an additional \$42.05 million (260,000 sq. ft.) of retail and office properties in Alberta, Saskatchewan and Manitoba. There are currently 119,397,368 units of Westfield REIT issued and outstanding.

Westfield REIT is a real estate investment trust listed as a Tier 2 issuer on the TSX Venture Exchange with the objective of acquiring and maintaining a growing portfolio of properties with stable cash distributions. Westfield REIT intends to focus on properties located in Western Canada, particularly in the province of Alberta.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer of the REIT or Mr. Jim Green, Chief Financial Officer of the REIT at (204) 947-1200.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this press release.

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