

FOR IMMEDIATE RELEASE

MAY 18, 2006

**WESTFIELD REIT ANNOUNCES ACQUISITION OF
\$61.3 MILLION CLASS "A" CALGARY OFFICE BUILDING**

Westfield Real Estate Investment Trust (TSX: WFD.UN) ("**Westfield REIT**") is pleased to announce that it has removed the conditions with respect to the acquisition of Heritage Square, a 5-storey class "A" suburban office complex in south Calgary.

Heritage Square is superior office property in Canada's strongest office market. This modern building is in an excellent location, just south of the intersection of MacLeod Trail and Heritage Drive SE, both major Calgary thoroughfares. Heritage Square is surrounded by primary retail, in close proximity to high profile national retailers such as London Drugs plus numerous banks and restaurants. The Heritage Square LRT station is located immediately across the street. Heritage Square boasts large floor plates and an attractive indoor atrium which is surrounded by commercial retail units and amenities such as a health club and restaurant. Heritage Square has its own attached parking structure with extensive heated and unheated parking facilities.

Heritage Square has 298,081 square feet of leasable space and is currently 99% occupied. The main tenants are Jacob's Engineering Group Inc. as well as The Cooperators and Credit Union Central Alberta. All of these tenants are considered national "high credit rated" tenants.

"The current in-place rents for these leases range from \$10 to \$14 per square foot. These rates are significantly below current market levels, which today range from \$18 – 25 per square foot in the Southwest suburban Calgary office market", said Armin Martens, CEO of Westfield REIT. "We believe this presents an excellent opportunity to realize a significant lift in this property's net operating income over the next several years, which will positively impact the REIT's cash flows and payout ratios for the benefit of our unitholders."

Heritage Square is being acquired for \$61.3 million, which represents a going-in capitalization rate of 7.5%. The acquisition is accretive to unitholders, and management anticipates closing the transaction at the end of June 2006.

The \$61.3 million purchase price will be satisfied with cash, a 3-year \$5 million vendor loan bearing interest at 6% per annum (monthly payments of interest only) and the proceeds of a new 10-year \$39.65 million mortgage. The mortgage interest rate is yet to be fixed but management estimates it will be approximately 5.55% per annum when finalized.

Including Heritage Square and three previously announced conditional acquisitions, Westfield REIT's commercial property acquisitions to date total \$430 million and represent approximately 2.8 million square feet of leasable area, 65% of which is in Alberta.

Westfield REIT's units trade on the TSX under the symbol WFD.UN. Westfield REIT's objective is to acquire and maintain a growing portfolio of properties and provide stable cash distributions to its unitholders. Westfield REIT focuses exclusively on high-quality commercial properties in Western Canada, primarily 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.

This press release contains forward-looking statements. Westfield REIT is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of Westfield REIT to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. Such risk factors include, but are not limited to, risks associated with real property ownership, availability of cash flow, general uninsured losses, future property acquisitions, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and potential changes in the tax treatment of trusts. Westfield REIT cannot assure investors that actual results will be consistent with any forward-looking statement and Westfield REIT assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances.

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

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