



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT COMPLETES THE SALE OF TWO PROPERTIES

Winnipeg, Manitoba, May 3, 2016 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the sale of the following two properties, with an effective date of May 1, 2016:

- Willowdale Gardens, an 88-suite apartment property located in Brandon, Manitoba, was sold for \$9 million. The sale resulted in net cash proceeds to LREIT, after repayment of the first mortgage loan and the standard closing costs and adjustments, of approximately \$5.95 million. Willowdale Gardens was acquired by LREIT in 2006 for \$4.3 million.
- Beck Court, a 120-suite apartment property located in Yellowknife, NWT, was sold for \$23 million. The sale resulted in net cash proceeds to LREIT of approximately \$3.4 million after the assumption by the purchaser of the existing first mortgage loan in the amount of \$15.6 million and vendor take-back financing provided by LREIT in the amount of \$4 million. The vendor take-back financing bears interest at 4%, with monthly interest only payments and a six-year term. Beck Court was acquired by LREIT in 2004 for \$14.3 million.

The total net cash proceeds in the approximate amount of \$9.35 million were used to fully repay a \$5.4 million second mortgage loan, which had a secured charge on Willowdale Gardens, and to pay down the revolving loan by \$3.95 million.

As part of the sale agreement for both properties, LREIT and the purchaser have agreed that, in the event that either property is re-sold within a 24-month period, LREIT will share equally in any profit that is realized as a result of such sale.

ABOUT LREIT

LREIT is a real estate investment trust, which is listed on the Toronto Stock Exchange under the symbols LRT.UN (Trust Units) and LRT.DB.G (Series G Debentures). For further information on LREIT, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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The TSX 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.