

Press Release-For Immediate Release

Whiterock to Acquire \$94 Million of Property

Brings Property Portfolio to \$372 Million

Acquisition Facility Increased to \$45 Million

Toronto, Ontario - September 26, 2006 /CNW/ - Whiterock Real Estate Investment Trust (TSX:WRK.UN) announced today that it has entered into binding agreements to acquire approximately \$94 million of property, including closing and mortgage refinancing costs. Whiterock also announced it has completed the acquisition of additional property totaling approximately \$29 million since June 30, 2006, including closing and mortgage refinancing costs, bringing the total portfolio of acquired and announced assets to approximately \$372 million.

Whiterock additionally said it has increased its existing acquisition facility to \$45 million from \$23.5 million.

"We are making our first significant investment in Toronto with the \$61 million purchase of 655 Bay Street, a 295,000 square foot office building. We will look to internally manage this asset as we continue to evolve as a REIT", said Jason Underwood CEO.

"These acquisitions are expected to add significantly to Whiterock's Funds from Operations ("FFO") per unit and Adjusted Funds from Operations ("AFFO") per unit. Our portfolio has also maintained its high credit quality with approximately 70% of revenues, including the newly announced acquisitions, coming from government or investment grade tenants," Mr. Underwood added.

With these closed and announced acquisitions, Whiterock has substantially increased its geographic diversification and continued its disciplined, accretive acquisition program. Whiterock's properties are now situated in a total of 11 primary and secondary markets across Canada. Approximately 76% of its revenue comes from office properties, 12% from retail properties and 12% from industrial properties.

Acquisitions Announced

The \$87 million of acquisitions, before closing and mortgage refinancing costs, are comprised of five properties totaling over 535,000 square feet of gross leaseable area. The purchase price represents an average going-in cash-based capitalization rate of 8.7% (GAAP-based capitalization rate – 8.8%) with approximately 73% of the revenue from these properties coming from government or investment grade tenants. Whiterock expects these acquisitions to be completed over the next 60 days.

Whiterock has the ability to finance these acquisitions with a combination of cash on hand, mortgages and its acquisition facility. Assumed and new long-term financing covering approximately 62% of the total cost of the acquisitions is expected to be arranged. Details of the acquisitions to be completed are as follows:

Property	Purchase Price ⁽¹⁾	Cap Rate	Gross Leaseable Area	Major Tenants	Total Government and Credit ⁽²⁾
655 Bay Street	\$61,300,000	8.4%	295,413	Canada Revenue Agency	82.1%
Royalty Centre - Phase II	5,084,976	8.6%	41,000	Linens N Things	19.7%
4515 & 4525 Rhodes	7,186,000	8.5%	91,057	Ground Effects Ltd.	22.0%
2946 Walker Road	2,115,000	9.0%	32,264	Ground Effects Ltd.	0.0%
Dartmouth Professional Centre	11,108,420	10.3%	75,989	Nova Scotia Government	78.3%
Announced Acquisitions	\$86,794,396	8.7%	535,723		73.2%

(1) Purchase price excludes closing and mortgage refinancing costs.

(2) As a percent of total revenue. The term credit refers to tenants with investment grade credit ratings.

655 Bay Street, Toronto, Ontario - This 98% leased, 18 storey, Class A multi-tenant office building with 295,413 square feet of gross leaseable area is located just north of the financial district in Downtown Toronto. The building's proximity to Queen's Park makes it a logical choice for the government tenants whose leases comprise approximately 41% of the revenue from the building. These include Canada Revenue Agency, Ontario Municipal Board and Ministry of the Attorney General. The property will be purchased for \$61.3 million at an 8.4% capitalization rate and is being financed by the assumption of \$40.7 million of first mortgage financing which is expected to be restructured at 110 basis points above the 10 year Canada bond rate at closing at an approximate cost of \$3.36 million. The 10 year mortgage will be interest only for the first five years and thereafter will be amortized over 26.3 years.

193 Malpeque Road, Charlottetown, PEI – Known as Royalty Centre, this 41,000 square foot retail centre is currently under construction and is anchored by a Linens N Things outlet and a PEI Liquor Store, both with 10 year leases. The property will be purchased for \$5.1 million and is expected to be financed by \$3.8 million of new 10 year mortgage financing. The retail centre is located within an unenclosed retail power centre, also under construction, shadow anchored by an existing 108,000 square foot Sears new format department store.

4515 & 4525 Rhodes Drive, Windsor, Ontario - These two flex-industrial properties totaling 91,057 square feet are located on the south side of Rhodes Drive in Windsor, Ontario, immediately adjacent to a major arterial expressway and Windsor International Airport. Built in 1998, these well maintained multi-tenant buildings have 22 foot clear heights. The properties will be purchased for \$7.2 million and are expected to be financed by \$5.2 million of new 10 year mortgage financing.

2946 Walker Road, Windsor, Ontario – This 32,264 square foot, single-tenant industrial property is located on the east side of Walker Road, two blocks from the Chrysler Assembly Plant. Situated on four acres of land, the building is leased to a leading supplier of exterior and interior accessories for the automotive industry until 2011. The property will be purchased for \$2.1 million and is expected to be financed by \$1.5 million of new 10 year mortgage financing. The building underwent significant renovation in 2004.

277 Pleasant Street, Dartmouth, Nova Scotia – Known as Dartmouth Professional Centre, this 75,989 square foot multi-tenant office building is located immediately north of the new Nova Scotia Community College and existing Dartmouth General Hospital. The property is 100% leased, with the primary tenants being the Nova Scotia Departments of Justice (53%) and Community Services (25%). It will be purchased for \$11.1 million and is expected to be financed by \$7.3 million in new mortgage financing.

Acquisitions Recently Completed

Whiterock also announced today that since June 30, 2006 it has completed the acquisition of one office, one industrial and three retail properties totaling approximately 190,000 square feet for a total purchase price, before closing costs, of approximately \$27.4 million. The properties have an average going-in cash-based capitalization rate on purchase price of 8.3% (GAAP-based capitalization rate – 8.4%). Three of the properties have 10 year first mortgage financing totaling

approximately \$14.5 million at an average interest rate of 5.4% and the balance was funded from cash on hand.

Property	Purchase Price ⁽¹⁾	Cap Rate	Gross Leaseable Area	Major Tenants	Total Government and Credit⁽²⁾
Parkland Plaza	\$6,745,457	7.9%	33,857	Lawton's Drug Store (Sobeys)	64.3%
7 Capella Court	5,015,000	8.9%	31,361	Lumenera	0.0%
Twin Oaks	6,211,624	8.5%	74,239	Magna Closures Inc.	100.0%
Royalty Centre - Phase I	752,576	8.9%	1,650	A&W	0.0%
Royal Centre	8,700,000	8.1%	48,551	Royal Bank	52.4%
Recent Acquisitions	\$27,424,657	8.3%	189,658		53.2%

(1) Purchase price excludes closing and mortgage refinancing costs.

(2) As a percent of total revenue. The term credit refers to tenants with investment grade credit ratings.

998 Parkland Drive, Halifax, Nova Scotia – Known as Parkland Plaza, this newly constructed 33,857 square foot property acquired on August 1, 2006 is located at the intersection of Highway 102 and Kearney Lake Road in Halifax. Lawton's Drug Store Limited (Sobeys) occupies two thirds of the project on a 10 year lease, with the balance of the space occupied by retail and professional tenants. It was purchased for \$6.7 million and is financed by a new \$4.7 million, 10 year mortgage at a rate of 5.60%.

9305 Twin Oaks, Windsor, Ontario – Acquired on August 9, 2006, this newly constructed, well located 74,239 square foot industrial facility is situated on 5.2 acres in the newly developed Twin Oaks Business Park. The property has 28 foot clear heights and is 100% leased to Magna Closures Inc., a subsidiary of Magna International, on a long term basis. It was purchased for \$6.2 million and is being financed by a new \$3.97 million, 10 year mortgage at a rate of 5.43%.

7 Capella Court, Ottawa, Ontario – Acquired on August 28, 2006, this 31,361 square foot, three-storey office building is located in the Rideau Heights Business Park, just west of Ottawa International Airport. The 1.8 acre site provides 150 parking spaces and room for a 10,000 square foot expansion. The primary tenant, Lumenera (a subsidiary of Roper Industries which is rated BB+ by Standard and Poors) occupies 84% of the building. It was purchased for \$5.0 million in cash.

Royal Centre, Saskatoon, Saskatchewan – Acquired on September 6, 2006, this 48,551 square foot centre is comprised of an office and two retail buildings located in the Central Business District of Saskatoon, across the street from the main entrance to Saskatchewan's largest regional mall. The property is 100% occupied, of which 51% is to Royal Bank of Canada. It was purchased for \$8.7 million and will be financed by a new \$5.8 million 10 year mortgage at a rate of 5.29%.

Increased Acquisition Facility

Whiterock also announced that it has increased its revolving debt facility to fund future acquisitions, to \$45 million from \$23.5 million. The interest rate and maturity date for the facility remain unchanged. As sole consideration for the increase, Whiterock agreed to issue 90,500 warrants with a term of five years exercisable at \$14.20 per Unit, subject to certain conditions. The increase in the facility allows Whiterock more flexibility in the timing of its equity market transactions and the acquisition of properties.

Reinvestment Program

Whiterock's Distribution Reinvestment Plan allows Unitholders to purchase additional Units using their distributions, without brokerage fees, at 96% of the weighted average trading price for the 10 days immediately preceding a distribution payment date. The enrolment form and further details are available at www.whiterockreit.ca/drip.html.

About Whiterock

Whiterock is a TSX listed rapidly expanding, growth oriented real estate investment trust focused on increasing Unitholder value through the strategic acquisition, ownership and management of well-located, long-term leased office, industrial and retail properties in select markets across Canada.

Non-GAAP Measures

FFO per unit and AFFO per unit are not measures defined by Generally Accepted Accounting Principles ("GAAP") and should not be construed as an alternative to net earnings per share determined in accordance with GAAP as an indicator of Whiterock's performance. Whiterock's methods of calculating these measures may differ from other issuers' methods and accordingly, they may not be comparable to measures used by other issuers. See Whiterock's Management Discussion and Analysis for a description of the measures and their reconciliation to net income.

Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Whiterock is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of Whiterock to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. A full description of these risk factors can be found in Whiterock's Annual Information Form dated April 26, 2006 which can be found at www.sedar.com. Whiterock cannot assure investors that actual results will be consistent with these forward looking statements and Whiterock assumes no obligation to update or revise the forward looking statements contained in this release to reflect actual events or new circumstances.

There is no assurance that any or all of the above announced acquisitions will be completed as anticipated by Whiterock. In addition, there is no assurance that the financing of these properties will be arranged on the terms anticipated by Whiterock.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information: www.whiterockreit.ca

Jason Underwood, 416-907-4861
Paul Simcox, 416-907-4862
Frank Bucys, CFO, 416-907-4864

Source: Whiterock Real Estate Investment Trust