

Whiterock REIT Announces Third Quarter 2006 Results Achieves Strong FFO Growth

TORONTO, November 13 / CNW / - Whiterock Real Estate Investment Trust ("Whiterock") today announced financial results for the three and nine months ended September 30, 2006. The following comments and highlights should be read in conjunction with the consolidated financial statements and management's discussion and analysis for the three and nine months ended September 30, 2006. These will be available on Whiterock's website at www.whiterockreit.ca.

HIGHLIGHTS

- **Strong FFO Growth** – Q3 Funds from Operations ("FFO") was \$0.22 per Unit, an increase of \$0.28 per Unit from the prior year comparative quarter. Including announced acquisitions, current annualized FFO run rate increases to \$1.21 per Unit. Annualized distributions total \$1.12 per Unit.
- **Accretive Acquisitions** – Completed \$157.3 million of acquisitions, including closing costs, in the nine months ended September 30, 2006, at an average 8.7% going-in capitalization rate (GAAP based) on purchase price.
- **Continuing to Close the Acquisition Pipeline** – Three properties totaling \$77.0 million, including closing costs, acquired since September 30, 2006. An additional \$27.3 million of properties are under binding agreement, bringing the total portfolio to \$382 million.
- **Announced Internalization of Management** – Internalizing, for \$3.5 million in Units, asset management and management services fees, subject to TSX and Unitholder approval. The internalization is approximately \$0.07 per Unit accretive to FFO run rate, taking into account an increase of \$0.3 million in annual general and administrative costs, and will serve to fully align senior management with Unitholders.
- **Investment Grade Tenants on Long-Term Leases** – 70% of revenues from government and other investment grade tenants. Average lease term of portfolio is 8.9 years.
- **Unit Price Appreciation** – September 30, 2006 unit price of \$12.80, a 15 month increase of 66%, including reinvestment of distributions, since the initial public offering.
- **Acquisition Facility** – Increased the acquisition facility to \$45 million from \$23.5 million in the third quarter.
- **Debenture Refinancing** – \$10 million of 7.5% Series D Debentures issued to fund the redemption of 9% Series B Debentures, resulting in reduced interest payments, an extension of term and an increase in conversion price.
- **Unit Consolidation** – Completed a four for one Unit consolidation, effective August 21, 2006.
- **Expanded Board of Trustees** – Appointed a new independent Audit Committee Chair and Investment Committee Chair.

FINANCIAL HIGHLIGHTS

(in \$'s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Total revenue	9,151,059	522,985	21,379,625	537,042
Property operating income	5,676,669	228,381	13,234,699	230,768
Income (loss)	(438,060)	(300,024)	(2,228,686)	(403,505)
Income (loss) per unit - basic and diluted	(0.06)	(0.09)	(0.35)	(0.27)
Funds from operations (FFO)	1,710,872	(224,744)	2,727,047	(327,563)
FFO per unit - basic	0.22	(0.06)	0.43	(0.22)
FFO per unit - diluted	0.21	(0.06)	0.42	(0.22)
Adjusted Funds From Operations (AFFO)	1,605,514	(142,662)	2,605,999	(242,536)
AFFO per unit - basic	0.20	(0.04)	0.41	(0.16)
AFFO per unit - diluted	0.20	(0.04)	0.40	(0.16)

(in \$'s)	September 30,	December 31,
	2006	2005
Investment in real estate	277,743,561	116,402,537
Mortgages payable	177,641,405	84,193,305
Acquisition facility	12,000,000	-
Convertible debentures (face value)	26,000,000	25,000,000
Cash	5,734,167	29,281,723
Unitholders' equity	64,213,410	38,218,035

The improvement in the financial results for the three months ended September 30, 2006 compared to the prior year period reflect the accretive acquisitions completed in 2005 and 2006.

FFO and AFFO are supplemental non-GAAP financial measures used by the real estate industry to measure and compare the operating performance of real estate organizations. Whiterock's method of calculating FFO and AFFO may be different from methods used by other REITs or corporations. Whiterock calculates FFO in accordance with the recommendations of the Real Property Association of Canada ("REALpac"). The definition is meant to standardize the calculation of FFO across real estate entities in Canada. A description of Whiterock's calculation of FFO and AFFO is included in Whiterock's Management's Discussion and Analysis for the three and nine months ended September 30, 2006.

OUTLOOK

In less than 18 months, Whiterock has successfully built a portfolio which now generates FFO of \$1.21 per Unit on a run rate basis and annualized distributions of \$1.12 per Unit. Management intends to continue improving Whiterock's FFO run rate, not only through accretive acquisitions, but also through focusing on operational improvements such as selective self-management of assets and the internalization of its Management Services Agreements, which is further described in Whiterock's Management's Discussion and Analysis for the three and nine months ended September 30, 2006.

"Since our IPO, we have successfully put in place a solid business platform by acquiring a portfolio of high quality assets with investment grade tenants, building a management team and independent Board of Trustees, and establishing relationships in select markets across Canada"

said Jason Underwood, CEO, "I am excited about the possibilities that lay ahead as we focus on growing the business during this next stage of Whiterock's evolution."

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. Since its formation as a Trust on June 28, 2005, Whiterock has acquired or announced the acquisition of properties totaling approximately 3.1 million square feet with a gross book value of approximately \$382 million.

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. Forward-looking statements include, but are not limited to, statements with respect to financial performance, sale-leaseback opportunities, proposed acquisitions and equity offerings, new markets for growth, financial position, comparable commercial REITs and proposed acquisitions. 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".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Whiterock to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the risks related to the public financial market for Whiterock's securities, the general risks associated with real property ownership and acquisition (including in particular but without limitation that any or all of the properties subject to conditional agreement of purchase and sale will be acquired as scheduled and/or on the terms currently anticipated and/or described) including that future accretive acquisition opportunities will be identified and/or completed by Whiterock, lease maturities, risk management, liquidity, debt financing, credit risk, competition, general uninsured losses, interest rate fluctuations, environmental matters, restrictions on redemptions of outstanding Whiterock securities, lack of availability of growth opportunities, diversification, reliance on anchor or single tenant properties, potential Unitholder liability, potential conflicts of interest, the relationship with Whiterock Real Estate Capital Inc., the availability of sufficient cash flow, fluctuations in cash distributions, the market price of Whiterock's units, the failure to obtain additional financing, dilution, reliance on key personnel, changes in legislation, failure to obtain or maintain mutual fund trust status and delays in obtaining governmental approvals or financing as well as those additional factors discussed in the section entitled "Risk Factors" in Whiterock's Annual Information Form dated April 26, 2006, which can be obtained at www.sedar.com.

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

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Source: Whiterock Real Estate Investment Trust