

**Press Release - For Immediate Release**

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## **Whiterock REIT Closes \$80 Million of Acquisitions in Alberta**

Thursday, July 17, 2008

**TSX - WRK.UN**

TORONTO, July 17 / CNW / - Whiterock Real Estate Investment Trust ("Whiterock" or the "REIT") today announced that it has closed the previously announced agreements to acquire \$80 million of commercial properties in Calgary and Edmonton, Alberta. With the completion of this acquisition, approximately 33% of Whiterock's portfolio by net operating income is now in the high growth Saskatchewan and Alberta markets. The transaction is approximately \$0.08 accretive to Funds From Operations ("FFO") per unit and \$0.03 accretive to Whiterock's Adjusted Funds From Operations ("AFFO") per unit.

This portfolio totals approximately 341,000 square feet of real estate (approximately 54% office, 30% industrial, and 16% retail) over eight properties. In total, these assets are currently 99% leased with a 5.7 year average remaining lease term. Current market rents are on average 20% above in-place leases.

The purchase price of \$80 million, excluding closing and transaction costs, represents a going-in capitalization rate of approximately 7.0%. The purchase price has been satisfied with a \$22.8 million private placement of new units and new convertible unsecured subordinated debentures to the vendor, with the balance of the funds provided by new and assumed mortgages at an average rate of 5.8% and an average term of 5.1 years, as well as Whiterock's \$40 million revolving credit facility. The vendor received \$11.4 million of new units issued at \$11.50 per unit and \$11.4 million of new convertible unsecured subordinated debentures with a 6.0% coupon, a 4-year term, and a conversion price of \$13.22 per unit.

"Whiterock is pleased to complete this acquisition and build its presence in Alberta, as well as establish a new relationship with a strong local real estate investment group. As previously stated, the portfolio is immediately accretive to both FFO and AFFO and has \$1 million of below market rents, most of which can be captured over the near-term. Additionally, the issuance of the new units and the new convertible unsecured subordinated debentures at these levels to a sophisticated vendor is a clear indication of Whiterock's current value proposition and future upside potential," said Jason Underwood, CEO.

About Whiterock

With the closing of this acquisition, Whiterock's portfolio consists of 41 properties totalling 3.1 million square feet, located in 13 primary and secondary markets across Canada, including Calgary, Edmonton, Regina, Saskatoon, Toronto, Ottawa, Montreal and Quebec City. The average lease term is approximately 7.9 years, with approximately 61% leased to government or investment grade firms. At the close of market on July 16th, 2008, Whiterock's units provided a yield of 11.3%.

## 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 or debt 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 market for Whiterock’s securities, the general risks associated with real property ownership and acquisition, that future accretive acquisition opportunities will not 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 and/or diversification opportunities, reliance on anchor or single tenant properties, potential Unitholder liability, potential conflicts of interest, the availability of sufficient cash flow, fluctuations in cash distributions, fluctuations in the market price of Whiterock’s units, the risk of 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 which can be obtained at [www.sedar.com](http://www.sedar.com). In particular, but without limitation, there is no assurance that Whiterock will be able to increase its FFO or AFFO as anticipated. Except as required by law, Whiterock does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

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](http://www.whiterockreit.ca)**

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Source: Whiterock Real Estate Investment Trust