

FOR IMMEDIATE RELEASE

JULY 18, 2006

**WESTFIELD REIT CLOSES ON HERITAGE SQUARE, A
\$61.3 MILLION CLASS "A" CALGARY OFFICE BUILDING**

Westfield Real Estate Investment Trust (TSX: WFD.UN) ("**Westfield REIT**") is pleased to advise that on July 13, 2006, it closed the previously announced acquisition of Heritage Square, a 5-storey class "A" suburban office complex in south Calgary.

Heritage Square is a superior office property, boasting an attached heated parkade, an indoor atrium, and other amenities such as a health club and restaurant. Heritage Square has 298,081 square feet of leasable space and is currently 99% occupied. Significant tenants are "high credit rated" such as The Cooperators, Credit Union Central Alberta and Jacob's Engineering Group Inc.

Heritage Square was acquired for \$61.3 million, which represents a going-in capitalization rate of 7.5%. The purchase price was satisfied with a combination of cash, a 3-year \$5 million vendor loan bearing interest at 6% per annum (monthly payments of interest only) and from mortgage financing. In conjunction with the acquisition, the vendor defeased the existing above-market rate mortgage at a cost to Westfield of approximately \$4 million. Westfield obtained a new \$39.65 million 10-year mortgage on the property at an attractive lower rate of 5.52% per annum.

Management believes Heritage Square offers significant upside, given its excellent location and attributes. Calgary remains North America's strongest office market; Heritage Square has leases coming up for maturity at rates estimated to be \$8 to \$12 below current market rental rates.

Including Heritage Square and three previously announced conditional acquisitions, Westfield REIT's commercial property acquisitions to date represent approximately 2.9 million square feet of leasable area, 65% 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.