



H&R REIT Increases Distributable Cash 6% in Third Quarter 2008

Toronto, Ontario, November 13, 2008 - H&R Real Estate Investment Trust (TSX: HR.UN; HR.DB) announced today that its distributable cash in the three months ended September 30, 2008 increased by 6% compared to the same period last year. Distributable cash per unit (basic) decreased 2% in the third quarter 2008 due to dilution resulting from the securities offering in June and costs associated with the recent internal reorganization. H&R's cash distributions increased 14% (5% per unit) in the third quarter compared to the same period a year ago.

H&R management considers distributable cash to be an indicative measure in evaluating the REIT's performance. The following table includes non-GAAP (Generally Accepted Accounting Principles) information that should not be construed as an alternative to net earnings or cash flows from operations and may not be comparable to similar measures presented by other issuers as there is no standardized meaning of distributable cash under GAAP.

	3 months ended Sept. 30		9 months ended Sept. 30	
	2008	2007	2008	2007
Distributable cash (millions) *	\$55.3	\$52.2	\$165.9	\$152.1
Distributable cash per unit (basic)	\$0.380	\$0.388	\$1.185	\$1.171
Cash distributions (millions)	\$52.4	\$46.1	\$151.4	\$133.7
Cash distributions per unit	\$0.360	\$0.343	\$1.080	\$1.028

The following table includes results reported in accordance with Canadian GAAP.

	3 months ended Sept. 30		9 months ended Sept. 30	
	2008	2007	2008	2007
Rentals from income properties (millions)	\$152.2	\$143.9	\$452.7	\$432.0
Net earnings (millions) *	(\$20.2)	\$23.9	\$52.5	(\$50.9)
Net earnings per unit (basic)	(\$0.15)	\$0.19	\$0.39	(\$0.41)
Cash provided by operations (millions) *	\$39.6	\$35.1	\$161.3	\$133.2

* Reconciliations of distributable cash to net earnings and to cash provided by operations are included in H&R's MD&A.

The REIT reported a net loss in the third quarter due to a \$50-million impairment loss on income properties. Seven properties in the United States occupied by the tenant Boscov's Department Stores were written down to fair market value following a test for impairment triggered by the tenant's bankruptcy announcement in August 2008.

H&R's unaudited Consolidated Financial Statements and Management's Discussion and Analysis for the third quarter 2008 are available on the Trust's website (www.hr-reit.com) and have been concurrently filed on SEDAR (www.sedar.com).

Operating Strategy Highlights

H&R's operating strategy is to take a disciplined approach to investing in quality commercial properties that produce sustainable and growing distributable cash and attractive returns on equity for unitholders. H&R has a strong track record of leasing its properties long term to creditworthy tenants and matching those leases with primarily long-term, fixed-rate financing. As a result, the REIT reported average terms to maturity of 11.7 years for its leases and 9.2 years for its mortgages, and leases representing only 14.6% of total rentable area will expire by the end of 2013. Moreover, only \$84 million of H&R's mortgages mature over the next 15 months, of which \$26.2 million concerns two properties that have been contracted to be sold.



Monthly Distribution Declared

H&R also announced a cash distribution of \$0.12 per unit (representing \$1.44 on an annualized basis), which will be scheduled as follows.

	Record date	Distribution date
December 2008	December 17	December 31

Significant Developments

The REIT is currently undertaking significant development activities for the two million square foot office building in Calgary, Alberta known as the Bow and the Bell Phase III project in Mississauga, Ontario. The REIT has committed to incurring additional construction and development costs for these projects of approximately \$1.1 billion over a four year period of which approximately \$390 million is expected to be incurred during the next 12 months. At present there are no financing arrangements in place on any of the REIT's development projects, and the current difficult economic conditions have impacted H&R's financing strategy. H&R is actively exploring the following alternatives to finance its commitments:

- Utilizing H&R's cash and unused operating line of credit as of September 30, 2008 which totals approximately \$232 million. The operating line of credit is due in August of 2009 and is currently secured by charges on 27 properties.
- Securing permanent financing or selling of Bell Phase III.
- Securing construction financing or selling an interest in the Bow.
- Selling or refinancing other assets.

Conference Call and Webcast

H&R management will host a conference call and webcast on Friday, November 14 at 9am (EST) to discuss the results and provide an update on its landmark development project in Calgary. To listen to the live call, dial locally 416-644-3427 or toll-free 1-800-796-7558. Callers will be required to identify themselves and the organization on whose behalf they are participating. To ensure timely participation, please dial in approximately five minutes prior to the scheduled start time of the call. A recording of the call will be available from November 14 at 11am (EST) to November 22 at midnight, by dialing locally 416-640-1917 or toll-free 1-877-289-8525, using passcode 21288616#. To listen to the live webcast of the call, go to www.hr-reit.com where a link will be provided on the left side of the Home page, or go to Canada NewsWire's website (<http://www.newswire.ca/en/webcast/index.cgi>), where the webcast can be accessed for 90 days.

About H&R REIT

H&R REIT is a TSX-listed, open-ended real estate investment trust, which owns a North American portfolio of 34 office, 124 industrial and 122 retail properties comprising 41 million square feet, with a net book value of \$4.4 billion. The foundation of H&R's success since inception in 1996 has been a disciplined strategy that leads to consistent and profitable growth. Additional information regarding H&R REIT is available at www.hr-reit.com and on www.sedar.com.

For more information, please contact Larry Froom, Chief Financial Officer, H&R REIT, 416-635-7520, or e-mail info@hr-reit.com.

Certain information in this news release contains forward-looking statements within the meaning of applicable securities laws including, among others, statements relating to the Trust's objectives, strategies to achieve those objectives, the Trust's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect the Trust's current beliefs and are based on information currently available to management. These statements are not guarantees of future performance and are based on the Trust's estimates and assumptions that are



subject to risk and uncertainties, including those discussed in the Trust's materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of the Trust to differ materially from the forward-looking statements contained in this news release. Those risks and uncertainties include, among other things: Unit prices; availability of cash for distributions; development and financing relating to The Bow development; liquidity; credit and tenant concentration; interest rates and financing; tax; ability to access capital markets; dilution; lease rollover; construction; debentures; mezzanine financing credit; currency risk; environmental matters; redemption right; and unitholder liability. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include that the general economy remains stable; interest rates are relatively stable; and equity and debt markets continue to provide access to capital. The Trust cautions that this list of factors is not exhaustive. Although the forward-looking statements contained in this news release are based upon what the Trust believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as of today and H&R, except as required by applicable law, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.