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H&R REIT ANNOUNCES TEMPORARY PARTIAL WAIVER OF ITS BLACKOUT POLICY

TORONTO, Ontario, December 31, 2008 - H&R Real Estate Investment Trust (the “REIT”; TSX: HR.UN, HR.DB) announced today that its board of trustees has approved a temporary partial waiver of the REIT’s blackout policy that applies to trustees, officers and other applicable persons (“Restricted Parties”). Under the temporary partial waiver, Restricted Parties will be permitted to purchase units provided that they are not in possession of material non-public information relating to the REIT. The board has taken this extraordinary step in light of recent extreme conditions in the financial and stock markets, which have resulted in what the REIT believes is a significant and unwarranted drop in the trading price of its units. The temporary partial waiver is similar to waivers recently authorized by other real estate investment trusts.

The blackout policy is similar to those adopted by other public companies and restricts the ability of Restricted Parties to purchase or sell units of the REIT during certain periods such as when the REIT is engaged in the preparation of its quarterly or annual financial statements. The temporary partial waiver of the blackout is effective through January 23, 2009, following which the blackout period relating to the release of 2008 annual results will apply. Restricted Parties remain unable to trade in units of the REIT if they are in possession of material undisclosed information relating to the REIT.

About H&R REIT

The 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 the REIT’s success since inception in 1996 has been a disciplined strategy that leads to consistent and profitable growth. Additional information regarding the 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.

Cautionary Notice

Certain information in this news release contains forward-looking statements within the meaning of applicable securities laws including, among others, statements relating to the REIT’s objectives, strategies to achieve those objectives, the REIT’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 REIT’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 REIT’s estimates and assumptions that are subject to risk and uncertainties, including those discussed in the REIT’s materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of the REIT 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 REIT cautions that this list of factors is not exhaustive. Although the forward-looking statements contained



in this news release are based upon what the REIT 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 the REIT, 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.