

COMINAR REIT ANNOUNCES CLOSING OF \$100 MILLION CONVERTIBLE DEBENTURE OFFERING

FOR IMMEDIATE RELEASE

Quebec, Quebec (September 17, 2004) – Cominar REIT (TSX: CUF.UN) today announced that it has closed its previously announced public offering of \$100,000,000 principal amount of Series A Convertible Unsecured Subordinated Debentures, sold to a syndicate of underwriters led by National Bank Financial Inc., on a bought deal basis.

The Debentures bear interest at an annual rate of 6.30%, payable semi-annually in arrears on June 30 and December 31 in each year commencing on December 31, 2004, and will mature on June 30, 2014. The net proceeds of the offering received by the REIT amounted to approximately \$95.95 million, which will be used to finance a pending acquisition, to reduce outstanding indebtedness incurred under the REIT's acquisition and operating facilities, to repay certain hypothecary loans on income producing properties which will mature in the near future and for general purposes, including future property acquisitions.

About Cominar REIT

As one of the largest real estate owners in the Province of Quebec, Cominar Real Estate Investment Trust enjoys a dominant presence and significant economies of scale. The REIT currently owns a diversified portfolio of 117 properties consisting of 13 office buildings, 25 retail buildings and 79 industrial and mixed-use buildings, which cover a total area of over more than 8.6 million square feet in the Montreal and Quebec City regions. As Cominar's asset and property management are fully internalized and fully integrated, the REIT is an entirely self-administered and self-directed real estate investment trust.

This document may contain forward-looking statements, relating to the REIT's operations or to the environment in which it operates, which are based on the REIT's operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, and/or are beyond the REIT's control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These factors include those set forth in other public filings. In addition, these forward-looking statements relate to the date on which they are made. The REIT disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The debentures and the units issued upon conversion of the debentures have not been and will not be registered under the United States Securities Act of 1933 and accordingly will not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person.

- 30 -

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