

PRESS RELEASE

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**RETROCOM MID-MARKET REIT CONTINUES TO TAKE STEPS TO ENHANCE
UNITHOLDER VALUE**

Toronto, Ontario – February 27, 2006– (TSX: “RMM.UN”) - Retrocom Mid-Market Real Estate Investment Trust (the “REIT”) announced today that the Special Committee and the Board of Trustees of the REIT will commence a process to solicit proposals leading to a sale of, or merger with, the REIT, or to a strategic partnership with a party interested in contributing assets or otherwise making an equity investment in the REIT. As previously disclosed, TD Securities Inc. has been assisting the Special Committee with its review of potential value enhancing strategies and will continue to act as financial advisor and manage this process.

The soliciting of proposals will be in addition to, and in conjunction with, the assessment of other alternatives, including the disposition of “non-core” assets in order to provide funding to renovate or redevelop existing “core” properties.

In this regard, Mr. Walter Davies, the recently appointed interim Chief Executive Officer of the REIT, announced that two non-core properties, located in Pickering, Ontario and Brooks, Alberta have recently been sold by the REIT. Further, a non-core industrial property in Mississauga, Ontario is in the final stages of due diligence for a sale and the REIT’s largest office building, located in Toronto, Ontario, and several other non-core properties in smaller markets will also be considered for sale.

Mr. Davies also announced that the proceeds from sales of non-core properties, combined with the reduction in G&A expenses that can be expected following the REIT’s internalization of management, will provide a sizeable reserve with which to meet capital expenditure projections of the REIT.

The REIT also announced today that it has taken further steps to internalize its management functions. The REIT has terminated, effective February 28, 2006, its asset management and property management agreements with Retrocom Investment Management Inc. (“RIMI”), in exchange for a one-time cash payment to RIMI in the amount of \$750,000 and other limited considerations. These agreements were originally scheduled to terminate in 2009 and the savings to be realized by the REIT as a result of the early termination are expected to be in excess of \$1.5 million over the next three years. In respect of property management and related functions, the REIT intends to retain directly the property management firms that have up until this time been performing such functions for the REIT on a subcontract basis.

“While we have been disappointed with the past performance of the REIT, we believe that the steps we have taken in the past few months will improve unitholder value and reduce the overhead costs of the REIT,” said Patrick Lavelle, Chairman of the Board of Trustees of the REIT and Chair of the Special Committee. “Along with our continuing assessment of other alternatives, we have put the REIT in a better position to respond to potential investors and partners,” he added.

Mr. Lavelle also announced that, subject to any required regulatory approvals, the REIT intends to cancel its Long Term Incentive Plan ("LTIP") for senior management and trustees of the REIT, and to return to treasury all units that remain unpaid out of the 807,000 units in aggregate that have been issued thereunder. Based on the closing price of the REIT's units on the TSX as at February 24, 2006, the REIT will not incur any material cash expense by such cancellation of the LTIP.

Lastly, the REIT announced that it has accepted the resignations of its Chief Operating Officer and Mr. Ralph Tersigni, a trustee of the REIT.

About Retrocom Mid-Market REIT

Retrocom Mid-Market REIT is an Ontario unincorporated open-end real estate investment trust which focuses on owning and acquiring mid-market commercial properties in primary and secondary cities across Canada with the objective of producing a geographically diversified portfolio of properties with stable and growing cash flows. Further information can be found at <http://www.retrocomreit.ca>.

Certain statements contained in this news release may include forward-looking information with respect to Retrocom Mid-Market Real Estate Investment Trust's operations and future financial results. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements. These uncertainties and risks include, but are not limited to, economic, competitive and commercial real estate conditions. Further information can be found in the disclosure documents filed by Retrocom Mid-Market Real Estate Investment Trust with the securities regulatory authorities, available at <http://www.sedar.com/>.

INFORMATION:

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