

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST
 Form 4
 September 24, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 RUBIN RONALD

2. Issuer Name and Ticker or Trading Symbol
 PENNSYLVANIA REAL ESTATE INVESTMENT TRUST [PEI]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman and CEO

(Last) (First) (Middle)
 C/O PENN. REAL ESTATE INVESTMENT TRUST, THE BELLEVUE, 200 S BROAD STREET

3. Date of Earliest Transaction (Month/Day/Year)
 09/20/2007

(Street)
 PHILADELPHIA, PA 19102

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|---|
| Shares of Beneficial Interest, par value \$1.00 per share | 09/20/2007 | | M | (A) 150,000 (1) (2) | \$ 25.41 | 328,121 | D |
| Shares of Beneficial Interest, par value \$1.00 | 09/20/2007 | | F | (A) 115,095 (1) (2) | \$ 39.52 | 213,026 | D |

per share
 Shares of
 Beneficial
 Interest, par
 value \$1.00
 per share

7,835

I

By Trust
(3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---|--|--------------------------------------|--|--------------------------------|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number Shares |
| Employee Share Option (Right to Buy) | \$ 25.41 | 09/20/2007 | | M | 150,000 <u>(1)</u> <u>(2)</u> | <u>(4)</u> 09/29/2007 | Shares of Beneficial Interest, par value \$1.00 per share 150, |
| Units of Class A Limited Partnership Interest | <u>(5)</u> | 08/31/2007 | | G | V 100,000 <u>(6)</u> | <u>(5)</u> <u>(5)</u> | Shares of Beneficial Interest, par value \$1.00 per share 100, |
| Units of Class A Limited Partnership Interest | <u>(5)</u> | 08/31/2007 | | G | V 100,000 <u>(7)</u> | <u>(5)</u> <u>(5)</u> | Shares of Beneficial Interest, par value \$1.00 per share 100, |
| Units of Class A Limited Partnership Interest | <u>(5)</u> | | | | | <u>(5)</u> <u>(5)</u> | Shares of Beneficial Interest, par value \$1.00 per 86,9 |

| | | | | | | |
|---|-----|-----|-----|-------|---|-----|
| Units of Class A Limited Partnership Interest | (5) | (5) | (5) | share | Shares of Beneficial Interest, par value \$1.00 per share | 5,2 |
| Units of Class A Limited Partnership Interest | (5) | (5) | (5) | share | Shares of Beneficial Interest, par value \$1.00 per share | 2,7 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------|-------|
| | Director | 10% Owner | Officer | Other |
| RUBIN RONALD C/O PENN. REAL ESTATE INVESTMENT TRUST THE BELLEVUE, 200 S BROAD STREET PHILADELPHIA, PA 19102 | X | | Chairman and CEO | |

Signatures

Ronald Rubin 09/24/2007
 __Signature of Date
 Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Mr. Rubin exercised an option to acquire 150,000 shares which was set to expire on 9/29/07. As a result of this option exercise, Mr. Rubin's direct holdings of shares increased to 213,026 shares, an increase of 34,905 shares, which is the net amount of new shares acquired after Mr. Rubin used shares to pay the exercise price and taxes. In accordance with the equity plan pursuant to which this option was granted, Mr. Rubin delivered shares to the issuer in order to pay the exercise price of the option, and shares were withheld from the shares otherwise issuable upon exercise of the option to pay the withholding taxes incurred in connection with the exercise.
- (2) (continued from footnote 1) The (i) delivery of shares to the issuer to pay the exercise price and (ii) the withholding of shares to pay taxes are deemed for these purposes to be dispositions of securities (to the issuer, not in the open market). These two dispositions of shares have been aggregated and are reported in this Form 4. After giving effect to the exercise of this option, the number of shares beneficially owned by Mr. Rubin (excluding the transactions referenced in notes 6 and 7 below) is 1,257,185.
- (3) Held by Mr. Rubin indirectly through a trust of which Mr. Rubin is a trustee.
- (4) The option vested in equal installments on January 1, 1999, 2000, 2001 and 2002.
- (5) The derivative securities are units of Class A Limited Partnership Interest (the "Units") in PREIT Associates, L.P., the operating partnership of the issuer. The Units are generally redeemable one year after the date of issuance in consideration for cash equal to the contemporaneous market price of shares of beneficial interest in the issuer or, at the election of the issuer, for a like number of shares of beneficial interest in the issuer, without payment of any conversion or exercise price. These derivative securities are currently redeemable, but have not been redeemed. The Units have no expiration date.
- (6)

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Mr. Rubin made a gift of Units to a grantor retained annuity trust for the benefit of his daughter on August 31, 2007. George F. Rubin is the trustee of this GRAT. Ronald Rubin and George F. Rubin are brothers. After giving effect to this transaction, under applicable reporting principles, the number of shares reported as beneficially owned by George F. Rubin has increased by a corresponding amount.

- (7) Mr. Rubin made a gift of Units to a grantor retained annuity trust for the benefit of his son on August 31, 2007. George F. Rubin is the trustee of this GRAT. Ronald Rubin and George F. Rubin are brothers. After giving effect to this transaction, under applicable reporting principles, the number of shares reported as beneficially owned by George F. Rubin has increased by a corresponding amount.

- (8) The Non-QTIP Marital Trust U/W of Richard I. Rubin (the "Marital Trust") is the holder of these Units. Mr. Rubin is a beneficiary of the Marital Trust. Mr. Rubin disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.

- (9) Pan American Office Investments, L.P. is the holder of these Units. Mr. Rubin is the sole shareholder of Pan American Office Investment - GP, Inc., which in turn is the general partner of Pan American Office Investments, L.P. In addition, Mr. Rubin directly holds a limited partnership interest in Pan American Office Investments, L.P.

- (10) Roosevelt Blvd. Co., Inc. is the holder of these Units. Mr. Rubin is the sole shareholder of Roosevelt Blvd. Co., Inc.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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