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DREAM OFFICE REIT REPORTS SOLID SECOND QUARTER 2015 RESULTS AND ROBUST LEASING ACTIVITY

This news release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.

TORONTO, AUGUST 6, 2015, DREAM OFFICE REIT (D.UN-TSX) or (the "REIT" or the "Trust") today announced its financial results for the three and six months ended June 30, 2015. Senior management will host a conference call to discuss the results on August 7, 2015 at 9:00 a.m. (ET).

OVERALL HIGHLIGHTS

The REIT continued to outperform the overall national office market in occupancy and the second quarter 2015 operating and financial results remained relatively stable in a competitive office leasing environment. The stability in the overall results is attributed to the REIT's geographically diverse portfolio and diversified tenant base.

SELECTED FINANCIAL INFORMATION (unaudited)	For the three months ended		
($000's except percentages and per unit amounts)	**June 30, 2015**	March 31, 2015	June 30, 2014
Basic:			
Adjusted funds from operations ("AFFO")[1]	**$ 0.64**	$ 0.62	$ 0.64
Funds from operations (excluding Reorganization) ("FFO (excluding Reorganization)")[1]	**0.73**	0.71	0.73
Diluted:			
FFO (excluding Reorganization)[1]	**0.72**	0.71	0.73
Operating results			
Comparative properties net operating income ("NOI")[1][2]	**$ 115,302**	$ 115,214	$ 115,447
Occupancy rate – in place (period-end)[3]	**91.0%**	91.4%	92.5%
Occupancy rate – including committed (period-end)[3]	**92.8%**	92.8%	94.1%

Footnotes: please refer to definitions on page 5.

HIGHLIGHTS FOR THE QUARTER

- **In-place and committed occupancy of 92.8% and in-place occupancy of 91.0% remains well above the national average:** Overall in-place and committed occupancy remained stable at 92.8% when compared to Q1 2015 while in-place occupancy was at 91.0% compared to 91.4% in Q1 2015. Both occupancy statistics continue to outperform the overall national office market of 88.6% (CBRE, Canadian Market Statistics, Second Quarter 2015). Our Calgary suburban portfolio performed well, with progressive growth in each of the four trailing quarters in in-place occupancy from 85.2% in Q2 2014 to 89.1% this quarter.
- **Continued positive leasing momentum:** To date, we have already leased or committed approximately 84% of 2015 expiries and 35% of 2016 expiries.
- **Solid tenant retention ratio:** Tenant retention ratio for the quarter was 62% with 357,400 square feet of renewals completed at 2.2% above expiring rents.

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- **Reorganization of the REIT's management structure resulting in accretion to AFFO:** On April 2, 2015, Dream Office REIT (the "Trust") acquired a subsidiary of Dream Asset Management Corp. ("DAM"), a subsidiary of Dream Unlimited Corp., which was a party to the Asset Management Agreement with the Trust, resulting in the elimination of the Trust's obligation to pay asset management, acquisition and capital expenditure fees to DAM (the "Reorganization"). In consideration for the Reorganization, the Trust issued 4.85 million exchangeable limited partnership units of a subsidiary of the REIT to DAM, representing total consideration of $127.3 million (excluding transaction costs). As a result of the Reorganization, the REIT expects AFFO per unit growth of approximately three cents per annum. The details of the reorganization are included in our press release dated April 2, 2015 and other publicly available documents filed on SEDAR.
- **Appointment of Chief Financial Officer ("CFO"):** On June 29, 2015, the REIT announced the appointment of Mr. Rajeev Viswanathan as the REIT's CFO, effective August 10, 2015. The details of the appointment are included in our press release dated June 29, 2015.

"Our pro-active asset and portfolio management strategies are being reflected in our strong leasing for the year and in the stability of our operating and financial results," commented Jane Gavan, Chief Executive Officer. "We continue to actively repurchase units under our normal course issuer bid as we believe that the market discount of our units offers a compelling opportunity."

OPERATIONAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited) ($000's except number of properties, square footage and percentages)			As at
	June 30, 2015	March 31, 2015	June 30, 2014
Portfolio			
Number of properties	**176**	176	182
Investment properties value[3]	**$ 7,162,263**	$ 7,193,381	$ 7,266,166
Gross leasable area ("GLA")[4]	**24,129**	24,124	24,509
Occupancy rate – including committed (period-end)[3]	**92.8%**	92.8%	94.1%
Occupancy rate – in place (period-end)[3]	**91.0%**	91.4%	92.5%
Average in-place net rent per square foot (period-end)[3]	**$ 18.28**	$ 18.24	$ 18.14
Market rent / average in-place net rent	**6.4%**	7.5%	8.0%

Footnotes: please refer to definitions on page 5.

- **In-place and committed occupancy remain stable in majority of the REIT's markets:** At Q2 2015, in-place and committed occupancy remained strong at 92.8%, with all regions remaining stable or experienced marginal growth when compared to prior quarter, except for Calgary downtown where it decreased 1.5% to 88.2%. The decrease in in-place and committed occupancy in Calgary downtown was mainly due to a tenant that downsized from 87,400 square feet to 61,700 square feet during the quarter. Calgary suburban experienced 70 bps increase in in-place and committed occupancy to just over 90% at the end of Q2 2015.

- **Robust leasing activity:** During the quarter, leasing activity was robust as close to 500,000 square feet of leasing was completed, which included 357,400 square feet of renewals, resulting in a tenant retention ratio of approximately 62%. Renewals were completed at 2.2% above expiring rents. At June 30, 2015, future occupancy commitments increased by 112,000 square feet to approximately 432,200 square feet, of which approximately 410,400 square feet will take occupancy during the second half of 2015.

- **Overall stable average in-place net rents:** At the end of Q2 2015, the portfolio average in-place net rent was $18.28 per square feet compared to $18.24 per square feet at March 31, 2015 and $18.14 per square feet at June 30, 2014. Estimated average market rents continue to exceed average in-place rents by approximately 6.4%.

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FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)		For the three months ended	
($000's except unit and per unit amounts)	**June 30, 2015**	March 31, 2015	June 30, 2014
Operating results			
NOI[1]	**113,434**	112,969	115,373
Comparative properties NOI[1][2]	**115,302**	115,214	115,447
FFO (excluding Reorganization) [1]	**82,473**	77,439	79,187
AFFO[1]	**73,128**	67,644	69,139
Distributions			
Declared distributions	**$ 63,368**	60,641	$ 60,969
DRIP participation ratio (for the period)	**36%**	34%	22%
Per unit amounts[5]			
Distribution rate	**$ 0.56**	0.56	$ 0.56
Basic:			
FFO (excluding Reorganization) [1]	**0.73**	0.71	0.73
AFFO[1]	**0.64**	0.62	0.64
Diluted:			
FFO (excluding Reorganization)[1]	**0.72**	$ 0.71	0.73
Payout ratio[1] (%):			
FFO (excluding Reorganization) (basic)	**77%**	79%	77%
AFFO (basic)	**87%**	90%	88%

Footnotes: please refer to definitions on page 5.

- **Comparable properties NOI remained stable over prior year and prior quarter:** NOI from comparable properties for the six months ended June 30, 2015 increased by $0.3 million, or 0.1%, over the prior year comparative period. The overall increase in NOI from comparative properties resulted from increases in Calgary suburban, Toronto downtown and Eastern Canada, with increases of 13.8%, 5.5% and 3.3% respectively, offset by declines in Western Canada, Calgary downtown and Toronto suburban of 2.3%, 7.5%, and 4.0% respectively. NOI from comparable properties for the three months ended June 30, 2015 remained relatively stable compared to same quarter prior year.

  NOI from comparable properties for Q2 2015, when compared to Q1 2015, increased by $0.1 million, or 0.1%, with gains in all regions except for Western Canada and Calgary downtown.

- **AFFO per unit remained relatively stable:** AFFO on a per unit basis for the three months ended June 30, 2015 was $0.64, up 3.2% from $0.62 in Q1 2015 and flat over prior year comparative quarter. The change in AFFO per unit for the three months ended June 30, 2015 was primarily a result of the general and administrative expense savings from the Reorganization, net of the dilution impact on issuance of the 4.85 million exchangeable limited partnership units of a subsidiary of the REIT to DAM.

PORTFOLIO ACTIVITY

- **Disposition of non-core asset:** Subsequent to quarter end on July 16, 2015, the REIT completed the sale of 8100 Granville Avenue (Richmond Place) in Richmond, British Columbia, totaling approximately 95,300 square feet, for gross proceeds of $30.3 million representing a 6% capitalization rate.

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CAPITAL HIGHLIGHTS

KEY FINANCIAL PERFORMANCE METRICS (unaudited)			As at
($000's except unit and per unit amounts)	**June 30, 2015**	March 31, 2015	December 31, 2014
Financing			
Weighted average face interest rate (period-end)[6]	**4.13%**	4.16%	4.18%
Interest coverage ratio[1]	**2.9 times**	2.9 times	2.9 times
Net average debt-to-EBITDFV (years)[1]	**7.6**	7.9	7.8
Level of debt (net debt-to-gross book value)[1]	**47.9%**	47.6%	47.5%
Level of debt (net secured debt-to-gross book value)[1]	**40.9%**	40.5%	40.4%
Unencumbered assets	**$ 820,000**	$ 820,000	$ 796,000
Unsecured convertible and non-convertible debentures	**533,980**	533,920	533,860
Capital (period end)			
Total number of units (REIT A and LP B Units)	**113,018,713**	108,510,096	108,539,009
Market capitalization	**2,773,479**	2,859,241	2,729,756

Footnotes: please refer to definitions on page 5.

- **Stable and conservative capital structure:** The REIT has continued its commitment to maintaining a strong and flexible balance sheet and ended the quarter with a net debt-to-gross book value ratio of 47.9%, compared to 47.6% at March 31, 2015 and 47.5% at December 31, 2014. Subsequent to quarter-end, a portion of the net proceeds received from the sale of 8100 Granville Avenue was used to pay down credit facility balance, reducing the net debt-to-gross book value ratio to 47.6%. The REIT's weighted average face rate of interest is 4.13%, which is lower than the 4.16% at March 31, 2015 and 4.18% at December 31, 2014. The net average debt-to-EBITDFV decreased to 7.6 years from 7.9 years in March 31, 2015 and 7.8 years in December 31, 2014. Interest coverage ratio remained solid at 2.9 times. The Trust's pool of unencumbered assets remained relatively consistent at approximately $820 million as at June 30, 2015 and March 31, 2015, and $796 million at December, 2014.

- **Renewal of normal course issuer bid and unit repurchase program update:** On June 22, 2015, the Trust renewed its normal course issuer bid ("NCIB"), and it will remain in effect until the earlier of June 21, 2016 or the date on which the Trust has purchased the maximum number of REIT A Units permitted under the bid. For the six months ended June 30, 2015, the Trust has purchased for cancellation 2,062,200 REIT A units under the NCIB at an average price of $26.60 per unit and a total cost of approximately $54.9 million (excluding transaction costs). Subsequent to quarter end, we purchased a further 364,700 REIT A units for cancellation under the NCIB at an average price of $24.62 per unit and a total cost of approximately $9.0 million (excluding transaction costs).

CALL

Senior management will host a conference call to discuss the results tomorrow, August 7, 2015 at 9:00 a.m. (ET). To access the conference call, please dial 1-888-465-5079 in Canada and the United States or 416-216-4169 elsewhere and use passcode 7678 875#. To access the conference call via webcast, please go to Dream Office REIT's website at www.dreamofficereit.ca and click on the link for News & Events, then click on Calendar of Events. A taped replay of the conference call and the webcast will be archived for 90 days.

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Other information

Information appearing in this news release is a select summary of results. The condensed consolidated financial statements and management's discussion and analysis of the Trust are available at www.dreamofficereit.ca and on www.sedar.com.

Dream Office REIT is an unincorporated, open-ended real estate investment trust. Dream Office REIT is focused on owning, acquiring, leasing and managing well-located, high-quality central business district and suburban office properties. Its portfolio currently comprises approximately 24.1 million square feet of gross leasable area in major urban centres across Canada. Dream Office REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit our website at www.dreamofficereit.ca.

FOOTNOTES

(1) AFFO, FFO (excluding Reorganization), comparative properties NOI, NOI, interest coverage ratio, net average debt-to-EBITDFV, level of debt (net debt-to-gross book value) and level of debt (net secured debt-to-gross book value) are non-GAAP measures used by Management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-GAAP Measures" in this press release.

(2) Comparative properties NOI (non-GAAP measure) includes NOI of same properties owned by the Trust in the current and comparative period and excludes lease termination fees and certain one-time adjustments, property held for redevelopment, straight-line rent and amortization of lease incentives.

(3) Includes investments in joint ventures and excludes redevelopment properties and assets held for sale as at period end.

(4) In thousands of square feet and excludes redevelopment properties and assets held for sale.

(5) A description of the determination of basic and diluted amounts per unit can be found in section "Non-GAAP measure and other disclosures" under the heading "Weighted average number of units" of the MD&A.

(6) Weighted average face interest rate is calculated as the weighted average face rate of all interest bearing debt, including investment in joint ventures that are equity accounted.

Non-GAAP Measures

The Trust's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures, including Adjusted Funds From Operations ("AFFO"), Funds From Operations (excluding Reorganization) ("FFO (excluding Reorganization)", comparative properties Net Operating Income ("NOI"), NOI, interest coverage ratio, net average debt-to-EBITDFV, level of debt (net debt-to-gross book value), level of debt (net secured debt-to-gross book value), and payout ratios as well as other measures discussed elsewhere in this release. These non-GAAP measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such non-GAAP measures as Management believes they are relevant measures of the Trust's underlying operating performance and debt management. Non-GAAP measures should not be considered as alternatives to net income, cash generated from (utilized in) operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-GAAP Measures and Other Disclosures" in Dream Office REIT's Management's Discussion and Analysis for the three and six months ended June 30, 2015.

Forward looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dream Office REIT's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, general and local economic and business conditions; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; and interest and currency rate functions. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains stable, interest rates remain stable, conditions within the real estate market remain consistent, competition for acquisitions remains consistent with the current climate and that the capital markets continue to provide ready access to equity and/or debt. All forward-looking information in this press release speaks as of the date of this press release. Dream Office REIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is contained in Dream Office REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dream Office REIT's website at www.dreamofficereit.ca.

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