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DREAM OFFICE REIT REPORTS FIRST QUARTER RESULTS AND SOLID PROGRESS ON THREE-YEAR PLAN

TORONTO, MAY 5, 2016, DREAM OFFICE REIT (D.UN-TSX) or (the "Trust" or "we") today announced its financial results for the three months ended March 31, 2016 and provided an update to its three-year strategic plan (the "Plan").

PLAN UPDATE

On February 18, 2016, we announced our Plan to reduce the discount between our unit price and our net asset value, and surface value for the Trust's unitholders. Since the date of the announcement, Dream Office REIT's unit price has appreciated over 20%, outperforming the S&P/TSX Capped REIT Index by nearly 12% in the same period. The improvement in the Trust's unit price has added over $370 million to the Trust's market valuation.

Today, the Trust is pleased to report that it has made solid progress on the execution of the Plan:

- **Over $500 million of Private Market Assets sold, under contract or in various stages of discussion** – We identified approximately $2.6 billion of high quality assets primarily in the Greater Toronto Area suburbs, Ottawa and Vancouver ("Private Market Assets"), which we believed were liquid, but not irreplaceable to the Trust. We set a three-year disposition target of $1.2 billion from the assets identified as Private Markets Assets.

  Year-to-date, the Trust has completed dispositions of $212.2 million, or 18%, of the $1.2 billion target from the Private Market Assets and achieved the carrying value for these sales. An additional $123 million of transactions are firm and over $200 million of properties are currently under contract to be sold or in various stages of discussion. Upon completion, these transactions would amount to over $500 million of dispositions, representing over 40% of the Trust's three-year $1.2 billion target or 7% of the Trust's portfolio as at December 31, 2015.

  "We continue to see strong interest in our assets across the Portfolio. The Plan we put in place allows us to remain flexible and opportunistic with respect to our capital structure and the composition of our portfolio to maximize value for our unitholders," said Jane Gavan Chief Executive Officer of Dream Office REIT.

- **Successfully closed $800 million credit facility** – During the quarter, the Trust successfully closed an $800 million demand revolving credit facility (the "$800 million Facility") with a syndicate of major Canadian and global financial institutions as announced earlier. The $800 million Facility provides the Trust with significant liquidity and financial flexibility to manage the business, with a long term focus on net asset value.

- **Strengthening balance sheet and reducing interest costs** – The Trust intends to use the proceeds from the disposition program to de-lever its balance sheet and strengthen its financial position. During the quarter, the Trust redeemed its remaining 5.50% Series H Convertible Debentures, with an aggregate principal amount totaling $50.6 million. The redemption provides immediate interest savings and the elimination of any potential dilution on the convertible debentures. Further, on April 26, 2016, the Trust repaid its maturing 5.95% Series K Debentures with an aggregate principal amount totaling $25.0 million.

- **Minimized dilution and improved retention of cash flow** – In consideration of the objectives of the Plan, effective with the February 2016 distribution, the Trust revised its monthly distribution to $0.125 per unit, or $1.50 per unit on an annualized basis. In addition, the Trust suspended its distribution reinvestment plan until further notice to eliminate dilution and to preserve value for its unitholders.

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OPERATIONAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)			As at
($000's except number of properties, square footage and percentages)	**March 31, 2016**	December 31, 2015	March 31, 2015
Total Portfolio			
Number of properties[(1)]	**160**	166	174
Investment properties value[(1)]	**$ 6,706,289**	$ 6,956,189	$ 7,193,381
Gross leasable area ("GLA")[(1)(2)]	**22,281**	23,030	24,124
Comparative Portfolio			
Occupancy rate – including committed (period-end)[(1)(3)]	**91.4%**	91.4%	92.8%
Occupancy rate – in place (period-end)[(1)(3)]	**89.4%**	89.8%	91.4%
Average in-place and committed net rent per square foot (period-end)[(1)(3)]	**$ 19.02**	$ 18.98	$ 18.72
Market rent / average in-place and committed net rent (%)[(1)(3)]	**0.9%**	3.3%	8.1%

Footnotes: please refer to definitions on page 5.

- **In-place and committed occupancy remain strong:** At Q1 2016, our comparative portfolio in-place and committed occupancy was stable quarter-over-quarter at 91.4% and remains above the industry average of 87.5% (CBRE, Canadian Market Statistics, First Quarter 2016). We have made good progress in securing lease commitments in the more challenging markets of Alberta and Toronto suburban. This resulted in a slight increase to our in-place and committed occupancy from last quarter in those regions. When compared to Q1 2015, our comparative portfolio in-place and committed occupancy declined 1.4% from 92.8% to 91.4%. The decline was attributed to all regions except for our largest market, Toronto downtown, and Edmonton, where occupancy increased by 40 and 70 basis points, respectively.

- **438 University Avenue, Toronto:** The Trust completed a 7-year lease for 191,000 square feet with a government tenant commencing in December 2018. This will replace the space being vacated by Loyalty Management in October 2017 and will increase the in-place and committed occupancy of the building to 99%.

- **Robust leasing activity:** Leasing activity remained strong with approximately 1.3 million square feet of transactions completed during the quarter. We currently have commitments in place for approximately 79% of our 2016 lease maturities, totaling approximately 3.2 million square feet. Of the 3.2 million square feet committed for 2016 lease maturities, approximately 2.2 million square feet were renewals. For Alberta, comprised of Calgary and Edmonton, we have lease commitments in place for approximately 71% of our 2016 lease maturities, amounting to approximately 1.0 million square feet.

FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)		For the three months ended	
($000's except percentages and per unit amounts)	**March 31, 2016**	December 31, 2015	March 31, 2015
Operating results			
Net operating income ("NOI")[(4)]	**$ 105,845**	$ 105,135	$ 107,178
Comparative properties NOI[(4)(5)]	**$ 108,383**	$ 108,569	$ 109,423
FFO[(4)]	**$ 78,223**	$ 79,672	$ 77,439
Distributions			
Declared distributions[(6)]	**$ 49,617**	$ 63,335	$ 60,641
Per unit amounts[(7)]			
Distribution rate[(6)]	**$ 0.44**	$ 0.56	$ 0.56
FFO (basic)[(4)]	**0.69**	0.70	0.71
FFO (diluted)[(4)]	**0.68**	0.70	0.71
Net asset value[(4)]	**$ 30.31**	$ 31.59	$ 34.98

Footnotes: please refer to definitions on page 5.

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- **Comparative properties NOI:** NOI from comparative properties for the quarter was $108.4 million, compared to $109.4 million in Q1 2015. We continue to see strength in Toronto downtown with comparative properties NOI increasing $1.2 million, or 3.4%, modest increases in British Columbia, Saskatchewan, the Northwest Territories and Eastern Canada, offset by declines in the more challenging markets of Alberta and Toronto suburban.

  For the three months ended March 31, 2016, NOI from comparative properties decreased on a quarter-over-quarter basis by 0.2%, or $0.2 million, with decreases mainly in the Alberta and Toronto suburban regions, offset by increases in the Toronto downtown and Eastern Canada regions. The overall decrease was mainly due to lower occupancy.

- **Basic FFO per unit for the quarter:** Basic FFO on a per unit basis for the three months ended March 31, 2016 was $0.69, compared with $0.70 in Q4 2015 and $0.71 in Q1 2015. The decrease in basic FFO per unit for the three months ended March 31, 2016 was primarily a result of the disposition of non-core assets for approximately $81.5 million. Offsetting this decline were interest rate savings upon refinancing of maturing debt and general and administrative expense savings as a result of the elimination of the asset management agreement with Dream Asset Management Corporation (the "Reorganization"), net of the issuance of 4.85 million units to Dream Asset Management Corporation as part of the Reorganization.

PORTFOLIO ACTIVITY

- **Disposition of non-core assets:** During the quarter, the Trust completed the sale of four properties, totalling approximately 571,100 square feet, for net proceeds of $81.5 million. The net proceeds from the dispositions were used primarily to repay debt and invest in our properties. Subsequent to quarter end, the Trust further completed the sale of five properties located in Vancouver, Oakville and Markham totalling approximately 530,600 square feet, for net proceeds of $130.7 million.

Property	Ownership (%)	Disposed share of GLA (square feet)	Sales price * (in 000's)	Mortgages discharged/ assumed by purchaser	Date disposed
2450 Girouard St W & 455 Saint Joseph Ave (Intact Tower) , Saint-Hyacinthe	100%	231,500	$ 35,034	$ (15,123)	February 26, 2016
8550 Newman Blvd., Montreal	100%	66,397	6,589	(5,704)	March 1, 2016
1305 Chemin Sainte-Foy, Quebec City	100%	37,266	3,058	(2,441)	March 1, 2016
1 Riverside Drive, Windsor	100%	235,915	36,820	-	March 10, 2016
Total dispositions in Q1 2016		**571,078**	**$ 81,501**	**$ (23,268)**	
2010 Winston Park Drive, Oakville	40%	31,655	$ 7,890	$ (4,550)	April 1, 2016
4259-4299 Canada Way, Burnaby	100%	119,570	27,625	(14,631)	April 27, 2016
960 Quayside Drive, New Westminster	100%	61,849	19,800	(8,609)	April 29, 2016
625 Cochrane Drive and Valleywood Corporate Centre, Markham	100%	317,566	75,429	(31,861)	May 2, 2016
Total year-to-date		**1,101,718**	**$ 212,245**	**$ (82,919)**	

* Sales price reflects gross proceeds net of adjustments and before transaction costs.

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CAPITAL HIGHLIGHTS

KEY FINANCIAL PERFORMANCE METRICS (unaudited)			As at
($000's except percentages and unit amounts)	**March 31, 2016**	December 31, 2015	March 31, 2015
Financing			
Weighted average face interest rate (period-end)	**3.96%**	4.05%	4.16%
Interest coverage ratio(1)	**2.9 times**	2.9 times	2.9 times
Net debt-to-adjusted EBITDFV (years)(1)	**7.8**	7.7	7.9
Net debt-to-gross book value(1)	**48.6%**	48.3%	47.6%
Net secured debt-to-gross book value(1)	**41.8%**	41.0%	40.5%
Unencumbered assets	**$ 387,000**	$ 825,000	$ 820,000
Capital (period end)			
Total number of units (REIT A and LP B Units)	**113,877,197**	113,094,461	108,510,096

Footnotes: please refer to definitions on page 5.

- **Closed $800 million Facility:** On March 1, 2016, the Trust entered into an $800 million Facility in the form of rolling one-month bankers' acceptances ("BA"). The $800 million Facility bears interest at the BA rate plus 1.70% or at the bank's prime rate plus 0.70%. With this new $800 million Facility in-place, the Trust repaid its $183.5 million term loan facility prior to its maturity date of August 15, 2016. As at March 31, 2016, borrowings on the $800 million Facility approximate $278.5 million at a face rate of 2.64%.

- **Interest rate savings:** The Trust also redeemed its outstanding 5.50% Series H Convertible Unsecured Subordinated Debentures, with an aggregate principal amount totalling $50.6 million on March 31, 2016. The redemption provides immediate interest savings and the elimination of any potential dilution on the convertible debentures. On April 26, 2016, the Trust repaid its maturing 5.95% Series K Debentures with an aggregate principal amount totalling $25.0 million.

- **Stable and conservative capital structure:** We have continued our commitment to maintaining a strong and flexible balance sheet. We ended the quarter with a stable net debt-to-gross book value ratio of 48.6%, net debt-to-adjusted EBITDFV of 7.8 years, and interest coverage ratio of 2.9 times. Our weighted average face rate of interest improved to 3.96% compared to 4.05% at December 31, 2015 and 4.16% at March 31, 2015. The Trust's pool of unencumbered assets declined from approximately $825 million as at December 31, 2015 to approximately $387 million as at March 31, 2016, as unencumbered assets were included as security in the new $800 million Facility.

- **REIT A units repurchased for cancellation:** For the three months ended March 31, 2016, the Trust has purchased for cancellation 406,573 REIT A units under the NCIB at an average price of $15.95 per unit and a total cost of approximately $6.5 million (excluding transaction costs).

INVESTOR PRESENTATION AND OTHER INFORMATION

A slide presentation of the Trust's Plan update is available on our website at www.dreamofficereit.ca.

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 22.3 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.

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FOOTNOTES

(1) Includes investment in joint ventures and excludes redevelopment properties and assets held for sale at period-end.
(2) In thousands of square feet.
(3) Comparative periods excludes properties sold and properties held for sale in Q1 2016.
(4) FFO, net asset value, comparative properties NOI, NOI, interest coverage ratio, net average debt-to-EBITDFV, net debt-to-gross book value, and 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.
(5) Comparative properties NOI (non-GAAP measure) includes NOI of same properties owned by the REIT 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.
(6) Effective with the February 2016 distribution, the Trust revised its monthly distribution to $0.125 per unit or $1.50 per unit on an annualized basis.
(7) 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.
(8) Payout ratio (non-GAAP measure) is calculated as the distribution rate as a percentage of basic FFO per unit.

Non-GAAP Measures

The REIT'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 REIT discloses and discusses certain non-GAAP financial measures, Funds From Operations (excluding Reorganization) ("FFO (excluding Reorganization))", net asset value, comparative properties Net Operating Income ("NOI"), NOI, interest coverage ratio, net average debt-to-EBITDFV, net debt-to-gross book value, 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 REIT has presented such non-GAAP measures as Management believes they are relevant measures of the REIT'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 REIT'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 months ended March 31, 2016.

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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