DREAM OFFICE REIT REPORTS THIRD QUARTER RESULTS AND HAS MADE SIGNIFICANT PROGRESS ON THE STRATEGIC PLAN

TORONTO, NOVEMBER 10, 2016, DREAM OFFICE REIT (D.UN-TSX) or (the "Trust" or "we") today announced its financial results for the three and nine months ended September 30, 2016 and provided an update to its three-year strategic plan (the "Strategic Plan"). Management will host a conference call to discuss the results on November 11, 2016 at 8:00 a.m. (ET).

UPDATE ON STRATEGIC PLAN

In February 2016, we announced that we were looking at Dream Office REIT with a view to maximizing net asset value. We created three segments of our assets: Core, Private Markets, and Value-Add. Our Core Assets are performing well. Our Private Market Assets are performing in line with expectations and the pace of our disposition program is ahead of plan. Our Value-Add Assets, which are mainly in Alberta, continue to face challenging leasing conditions.

On a year-to-date basis, the Trust has completed dispositions of close to $700 million, of which $478 million are from our Private Market Assets, with the remainder relating to the previously announced disposition of a 17% interest in Scotia Plaza and 100 Yonge Street, completed on June 30, 2016.

Core Assets

- **Solid leasing and stable performance from Core Assets:** As at September 30, 2016, the Trust's Core Assets comprise approximately 40% of comparative properties net operating income ("NOI"). They include assets located in downtown Toronto, in addition to 700 De la Gauchetiere in Montreal, 5001 Yonge St. in North York, and Station Tower in suburban Vancouver, and have an in-place and committed occupancy of approximately 98% with a weighted average lease term of six years. As at September 30, 2016, the Trust has secured lease commitments of approximately 0.8 million square feet in its Core Assets portfolio, which represents 100.4% of total lease maturities this year, and achieved rental rates that are 7.0% above the expiring rates. In addition, the Trust has secured lease commitments totalling approximately 0.9 million square feet in its Core Assets portfolio for 2017, representing over two-thirds of our lease maturities next year. The Core Assets delivered a solid performance during the quarter, with comparative properties NOI growing 3.2% over Q3 2015 and 1.1% over Q2 2016. Our Core Assets will become an increasing percentage of the Trust's income and gross leasable area ("GLA") as we continue to sell our Private Market Assets.

Private Market Assets

- **Over $800 million of Private Market Assets sold, under contract or in various stages of discussion**: On a year-to-date basis, the Trust has completed Private Market Asset dispositions of approximately $478 million. This represents approximately 40% of our three-year, $1.2 billion disposition target at prices approximating their carrying value. In addition, the Trust has over $330 million of Private Market Assets currently under contract or in various stages of discussion. Upon completion, these transactions would amount to over $800 million, or over two-thirds of the original $1.2 billion target. The properties sold during the quarter were in Ottawa, the Greater Toronto Suburban and Vancouver areas.

"We are pleased with the progress made so far this year on the execution of the Strategic Plan, with almost $800 million, or two-thirds of our target dispositions either completed or in various stages of discussion," said Jane Gavan, Chief Executive Officer of the Trust. "We are now seeing interest from buyers for properties in our Value-Add segment and we will continue to evaluate those opportunities as we evaluate strategies for this asset segment and the REIT as a whole. As we continue to execute on the Strategic Plan, we are creating a smaller, more focused REIT, with a solid balance sheet and high quality assets located in key Canadian office markets."

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Strengthening Balance Sheet

- **Reducing debt and capitalizing on low interest rates:** During the quarter, the Trust discharged maturing mortgages and mortgages associated with disposed properties totalling approximately $179.8 million with an average face rate of 5.05% per annum. On September 30, 2016 the Trust repaid the Series L Debentures with an aggregate principal amount of $10.0 million at a face rate of 5.95%. In addition, the Trust renewed or refinanced mortgages totalling approximately $90.8 million at an average face rate of 3.04% per annum with an average term of eight years. As a result of our capital allocation and dispositions completed during the quarter, the Trust's net debt-to-gross book value improved 90 basis points from 51.3% in Q2 2016 to 50.4% this quarter.

OPERATIONAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)			As at
($000's except number of properties, square footage, percentages and rental rates)	**September 30, 2016**	June 30, 2016	September 30, 2015
Total Portfolio			
Number of properties[1]	**148**	157	169
Investment properties value[1]	**$ 5,426,359**	$ 5,603,762	$ 7,023,287
Gross leasable area ("GLA")[1][2]	**20,787**	21,471	23,349
Comparative Portfolio			
Occupancy rate – including committed (period-end)[1][3]	**88.9%**	89.9%	91.3%
Occupancy rate – in-place (period-end)[1][3]	**87.0%**	87.5%	89.6%
Average in-place and committed net rent per square foot (period-end)[1][3]	**$ 18.95**	$ 18.89	$ 18.70
Market rent / average in-place and committed net rent (%)[1][3]	**(6.1)%**	(6.1)%	5.7%

Footnotes: please refer to definitions on page 6.

- **In-place occupancy:** At Q3 2016, our comparative portfolio in-place occupancy was at 87.0% compared to 87.5% in Q2 2016, with the overall negative absorption during the quarter mainly attributable to Alberta and the balance mainly from our B.C./Saskatchewan/N.W.T. and Eastern Canada regions. In contrast, the Toronto suburban region saw positive leasing absorption of approximately 44,500 square feet. Excluding the Alberta region, the remainder of our comparative portfolio in-place occupancy as at September 30, 2016 was 89.7% compared to 90.0% in Q2 2016.

  Our overall comparative portfolio in-place and committed occupancy was 88.9% as at September 30, 2016. When compared to Q2 2016 and Q3 2015, our comparative portfolio in-place and committed occupancy declined 1.0% and 2.4%, respectively, with the majority of the declines coming from the Alberta region.

- **Leasing activity:** To date, we continue to make progress on securing future lease commitments, with approximately 3.5 million square feet taking occupancy in 2016, representing approximately 88% of the 2016 lease maturities. Excluding the 170,500 square feet of negative absorption related to a previously identified tenant departure in one of our Calgary properties, the Trust has secured future lease commitments taking occupancy in 2016 that represents approximately 91% of the 2016 lease maturities. To date, we have also secured approximately 1.6 million square feet taking occupancy in 2017, representing over 40% of our 2017 lease maturities.

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FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)	For the three months ended		
($000's except per unit amounts)	**September 30, 2016**	June 30, 2016	September 30, 2015
Operating results			
Net operating income ("NOI")(4)	**$ 92,787**	$ 94,117	$ 96,534
Comparative properties NOI(4)	**$ 96,916**	$ 97,865	$ 99,791
Funds from Operations ("FFO")(4)	**$ 71,359**	$ 74,150	$ 78,917
Distributions			
Declared distributions(5)	**$ 42,739**	$ 42,722	$ 63,312
Per unit amounts(6)			
Distribution rate(5)	**$ 0.38**	$ 0.38	$ 0.56
FFO (basic)(4)	**$ 0.62**	$ 0.65	$ 0.70
FFO (diluted)(4)	**$ 0.62**	$ 0.65	$ 0.69
Net asset value ("NAV")(4)	**$ 23.46**	$ 23.64	$ 32.78

Footnotes: please refer to definitions on page 6.

- **Comparative properties NOI:** For the three months ended September 30, 2016, NOI from comparative properties on a quarter-over-quarter basis decreased by $1.0 million, or 1.0%, from $97.9 million to $96.9 million, mainly driven by vacancy in the Alberta region, with comparative in-place occupancy declining 1.2% in that particular region.

  For the three months ended September 30, 2016, NOI from comparative properties on a year-over-year basis decreased by $2.9 million, or 2.9%, from $99.8 million to $96.9 million. We continue to see strength in our largest market, Toronto downtown with comparative NOI increasing $0.8 million or 2.6%, while the rest of our portfolio experienced a decline, mainly driven by the Alberta region with comparative NOI decreasing $3.2 million, or 10.9%. For the nine months ended September 30, 2016, NOI from comparative properties on a year-over-year basis decreased by $7.4 million, or 2.4%, from $302.2 million to $294.8 million. Toronto downtown saw similar trends with comparative properties NOI increasing $2.6 million, or 2.7%, while the rest of our portfolio experienced a decline.

- **Diluted FFO per unit for the quarter:** Diluted FFO on a per unit basis for the three months ended September 30, 2016 was $0.62, compared with $0.65 in Q2 2016 and $0.69 in Q3 2015. The decrease in diluted FFO per unit during the quarter was primarily as a result of property dispositions and to a lesser extent due to a decline in occupancy. Offsetting this decline was interest savings on discharged debt associated with disposed properties and interest rate savings upon refinancing of maturing debt.

- **Implementation of cost reduction program:** Since the announcement of our Strategic Plan in February 2016, we have made significant progress in executing our disposition program. To ensure that the costs of the operating platform continue to be efficient for the size of the portfolio, the Trust and Dream Asset Management Corporation jointly implemented a cost reduction program during the fourth quarter of 2016 to simplify the Trust's operating and shared service platform. As a result of implementing this program, the Trust is expected to incur a charge between $5.0 million and $6.0 million over the next two quarters. The Trust expects there to be annual savings coming from recoverable operating expenses that will directly benefit existing tenants. Further, the Trust expects to achieve annual savings to FFO of up to $4.0 million commencing in 2017 as a result of this program.

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PORTFOLIO ACTIVITY

- **Disposition of assets in conjunction with the Strategic Plan:** During the quarter, the Trust completed the sale of eight properties in our Private Market Assets located in Markham, suburban Ottawa, Gatineau and Burnaby, totalling approximately 0.7 million square feet, for gross proceeds net of adjustments totalling approximately $146.4 million. On a year-to-date basis, the Trust completed the sale of properties mainly in our Private Market Assets and a portion of our interest in Scotia Plaza and 100 Yonge Street, included in our Core Assets, totalling approximately 2.5 million square feet, for gross proceeds net of adjustments totalling approximately $698.9 million. The net proceeds from the dispositions were used primarily to repay debt and amounts drawn on our credit facilities.

Property	Ownership (%)	Disposed share of GLA (000's of sq. ft.)	Sales price * (in $000's)	Date disposed
2450 Girouard Street West & 455 Saint Joseph Ave (Intact Tower) , Saint-Hyacinthe	100%	232	$ 35,034	February 26, 2016
8550 Newman Boulevard, Montréal	100%	66	6,589	March 1, 2016
1305 Chemin Sainte-Foy, Québec City	100%	37	3,058	March 1, 2016
1 Riverside Drive, Windsor	100%	236	36,820	March 10, 2016
Total dispositions in Q1 2016		**571**	**$ 81,501**	
2010 Winston Park Drive, Oakville	40%	32	$ 7,664	April 1, 2016
4259-4299 Canada Way, Burnaby	100%	120	27,572	April 27, 2016
960 Quayside Drive, New Westminster	100%	62	19,800	April 29, 2016
625 Cochrane Drive and Valleywood Corporate Centre, Markham	100%	318	75,429	May 2, 2016
30 Eglinton Avenue West, Mississauga	100%	165	46,501	May 18, 2016
887 Great Northern Way, Vancouver	100%	164	72,829	June 10, 2016
Scotia Plaza and 100 Yonge Street, Toronto **	17%	371	221,235	June 30, 2016
Total dispositions in Q2 2016		**1,232**	**$ 471,030**	
100 Gough Road, Markham	100%	112	33,000	July 25, 2016
Suburban Ottawa & Gatineau Portfolio ***	100%	392	65,758	July 29, 2016
Seven Capella Court, Ottawa	100%	32	6,242	August 2, 2016
4370 & 4400 Dominion Street, Burnaby	100%	157	41,350	September 16, 2016
Total dispositions in Q3 2016		**693**	**$ 146,350**	
Total dispositions year-to-date		**2,496**	**$ 698,881**	

* Sales price reflects gross proceeds net of adjustments and before transaction costs.
** Interest disposed in these properties were included in our Core Assets.
*** Includes four properties in suburban Ottawa and Gatineau: 2625 Queensview Drive, Gateway Business Park, 1125 Innovation Drive and 22 Varennes Street.

- **Investment property values:** For the three months ended September 30, 2016, the Trust recorded a fair value loss of $33.7 million, mainly attributable to our investment properties in the Alberta and B.C./Saskatchewan/N.W.T. regions. Offsetting this were gains in our Toronto Suburban region and assets held for sale.

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CAPITAL HIGHLIGHTS

KEY FINANCIAL PERFORMANCE METRICS (unaudited)			As at
($000's except percentages and unit amounts)	**September 30, 2016**	June 30, 2016	September 30, 2015
Financing			
Weighted average face interest rate (period-end)(7)	**3.89%**	3.97%	4.11%
Interest coverage ratio (times)(4)	**3.0**	2.9	2.9
Net debt-to-adjusted EBITDFV (years)(4)	**7.3**	7.4	7.8
Net debt-to-gross book value(4)	**50.4%**	51.3%	48.0%
Net secured debt-to-gross book value(4)	**42.6%**	43.5%	40.9%
Unencumbered assets(8)	**$ 285,000**	$ 281,000	$ 768,000
Capital (period end)			
Total number of units (REIT A and LP B Units)	**113,965,168**	113,958,001	113,014,150

Footnotes: please refer to definitions on page 6.

- **Conservative capital structure with significant liquidity:** We ended the quarter with net debt-to-gross book value ratio of 50.4%, net debt-to-adjusted EBITDFV of 7.3 years, and interest coverage ratio of 3.0 times. Our weighted average face rate of interest improved to 3.89% when compared to 3.97% at June 30, 2016 and 4.11% at September 30, 2015. Our available liquidity of $697.5 million comprise $19.8 million of cash and cash equivalents on hand and undrawn demand revolving credit facilities totalling $677.7 million.

- **Reducing debt and capitalizing on low interest rates:** For the three and nine months ended September 30, 2016, the Trust has renewed or refinanced mortgages at lower amounts and lower interest rates relative to the mortgages that matured or discharged as a result of property dispositions.

Financing activities	**Three months ended September 30, 2016**		**Nine months ended September 30, 2016**	
(unaudited) ($000's except percentages)	**Mortgages renewed or refinanced**	**Mortgages discharged**	**Mortgages renewed or refinanced**	**Mortgages discharged**
Amount	$ 90,750	$ (179,799)	$ 157,434	$ (547,298)
New term (years)	8.0	n/a	5.8	n/a
Weighted average face interest rate(7)	3.04%	5.05%	2.94%	4.34%

CALL

Management will host a conference call to discuss the results tomorrow, November 11, 2016 at 8:00 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 8217 120#. 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 ("MD&A") 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 20.8 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) 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 Q3 2016.
(4) NOI, comparative properties NOI, FFO, NAV per unit, interest coverage ratio, net debt-to-adjusted 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 and financial performance. Please refer to the cautionary statements under the heading "Non-GAAP Measures" in this press release.
(5) 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.
(6) 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.
(7) Weighted average face interest rate is calculated as the weighted average face rate of all interest bearing debt on balance, including investment in joint ventures that are equity accounted.
(8) Unencumbered assets (non-GAAP measure) includes unencumbered investment properties related to wholly owned and co-owned properties and investment in joint ventures that are equity accounted. Management believes this non-GAAP measurement is an important measure of our unencumbered pool of assets available for financing purposes.

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, FFO, net asset value, comparative properties Net Operating Income ("NOI"), NOI, interest coverage ratio, net debt-to-adjusted EBITDFV, net debt-to-gross book value, and net secured debt-to-gross book value 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 income trusts. 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 MD&A for the three and nine months ended September 30, 2016.

Forward looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements regarding the future composition of our portfolio and the anticipated costs and savings from our cost reduction program. 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 fluctuations. 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 except as required by law. 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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