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DREAM OFFICE REIT REPORTS THIRD QUARTER RESULTS AND SUBSTANTIAL COMPLETION OF DISPOSITION PROGRAM

TORONTO, NOVEMBER 9, 2017, DREAM OFFICE REAL ESTATE INVESTMENT TRUST (D.UN-TSX) or ("Dream Office REIT", the "Trust" or "we") today announced its financial results for the three and nine months ended September 30, 2017 and substantial completion of its disposition program. Management will host a conference call to discuss the results on November 10, 2017 at 8:00 a.m. (ET).

FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION	Three months ended			Nine months ended	
(unaudited)	**September 30,**	June 30,	September 30,	**September 30,**	September 30,
($000's except per unit amounts)	**2017**	2017	2016	**2017**	2016
Operating results					
Net income (loss)	**$ (637)**	$ 34,556	$ 28,580	**$ 34,055**	$ (779,034)
Net operating income ("NOI")(1)	**43,201**	44,384	44,431	**135,130**	137,558
Comparative properties NOI(1)	**44,883**	45,201	47,409	**135,819**	144,526
Funds from Operations ("FFO")(1)	**44,653**	55,686	71,359	**165,822**	223,732
EBITDFV	**64,524**	76,881	99,888	**227,772**	319,571
Distributions					
Total distributions(5)	**$ 22,249**	$ 39,175	$ 42,739	**$ 102,495**	$ 135,398
Per unit amounts(6)					
Distribution rate(5)	**$ 0.25**	$ 0.38	$ 0.38	**$ 1.00**	$ 1.19
FFO (basic)(1)	**0.48**	0.53	0.62	**1.61**	1.96
FFO (diluted)(1)	**0.48**	0.53	0.62	**1.61**	1.95
Net asset value ("NAV")(1)	**22.40**	22.25	23.46	**22.40**	23.46

Footnotes: please refer to definitions on page 7.

- **Net income (loss) for the quarter and year-to-date:** For the three months ended September 30, 2017, the Trust generated net loss of $0.6 million consisting primarily of net rental income of $60.2 million, offset by interest expense on debt and subsidiary redeemable units of $22.8 million, fair value adjustments to investment properties and financial instruments of $30.1 million, and net losses on transactions and other activities of $8.8 million.

  For the nine months ended September 30, 2017, the Trust generated net income of $34.1 million consisting primarily of net rental income of $216.3 million, offset by interest expense on debt and subsidiary redeemable units of $76.6 million, fair value adjustments to investment properties and financial instruments of $65.3 million, and net losses on transactions and other activities of $36.3 million.

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- **Diluted FFO per unit[1] for the quarter and year-to-date:** Diluted FFO on a per unit basis for the three months ended September 30, 2017 was $0.48, compared to $0.53 and $0.62 at Q2 2017 and Q3 2016, respectively. Diluted FFO on a per unit basis for the nine months ended September 30, 2017 was $1.61, compared to $1.95 for the nine months ended September 30, 2016. The decrease in diluted FFO per unit for the three and nine months ended September 30, 2017 when compared to the prior year respective periods was primarily as a result of allocating capital repatriated from property dispositions to reducing overall debt levels, net of unit buybacks (-$0.12 and -$0.31, respectively), along with a decrease in comparative properties NOI[1] (-$0.03 and -$0.09, respectively), partially offset by lease termination fees and other (+$0.01 and +$0.06, respectively).

  The decrease in diluted FFO per unit on a quarter-over-quarter basis was primarily as a result of allocating capital repatriated from property dispositions to reducing overall debt levels, net of unit buybacks (-$0.02), along with a decrease in lease termination fees and other (-$0.03).

- **Comparative properties NOI[1] for the quarter and year-to-date:** For the three and nine months ended September 30, 2017, NOI from comparative properties decreased by 5.3% and 6.0%, respectively, over the prior year comparative periods, mainly driven by decreases in Calgary, 700 De la Gauchetière Street West (“700 DLG”) in Montréal, and Saskatchewan within our Non-core markets, partially offset by increases in the Toronto downtown and Mississauga and North York regions. In Calgary, the decrease in comparative properties NOI was mainly driven by lower occupancies at 606 4th Building, Rocky Mountain Plaza and Life Plaza and lower net rental rates mainly in IBM Corporate Park. At 700 DLG, the decrease in comparative properties NOI was mainly driven by Bell Canada vacating approximately 0.2 million square feet at the beginning of Q2 2017, which was substantially backfilled by National Bank of Canada at lower net rents. In Saskatchewan, the decrease in comparative properties NOI was mainly driven by lower occupancies at 1900 Sherwood Place with an early termination in March 2017 of approximately 21 thousand square feet and at Saskatoon Square with a tenant vacating approximately 30 thousand square feet at the beginning of Q3 2017. Partially offsetting this decline in comparative properties NOI is Toronto downtown and Mississauga and North York regions experiencing higher net rental rates and higher in-place occupancy in the Mississauga and North York region.

- **Fair value adjustments to investment properties for the quarter:** For the three months ended September 30, 2017, the Trust recorded a fair value loss of $21.0 million, mainly driven by fair value losses totalling $6.9 million related to our assets held for sale, $8.0 million related to our properties held for redevelopment and $6.1 million related to our comparative portfolio. The fair value losses were for the most part due to final adjustments on properties sold during the quarter and bids received on properties held for sale and certain other properties.

- **Net Asset Value ("NAV") per unit[1]:** As at September 30, 2017, our NAV per unit when compared to June 30, 2017, was up $0.15 from $22.25 to $22.40. The increase in NAV per unit during the quarter was primarily driven by activities under our normal course issuer bid (“NCIB”) and substantial issuer bid (“SIB”), offset by fair value losses, including investment properties that were sold during the period.

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CAPITAL HIGHLIGHTS

KEY FINANCIAL PERFORMANCE METRICS
(unaudited)

				As at
	September 30, 2017	June 30, 2017	December 31, 2016	September 30, 2016
Financing				
Weighted average face interest rate (period-end)[7]	**3.93%**	3.82%	3.84%	3.89%
Interest coverage ratio (times)[1][8]	**3.1**	3.2	3.1	3.1
Net debt-to-adjusted EBITDFV (years)[1]	**6.5**	7.6	7.7	7.3
Net debt-to-gross book value[1]	**39.5%**	47.5%	52.3%	50.4%
Net secured debt-to-gross book value[1]	**29.9%**	40.7%	44.2%	42.6%
Debt – average term to maturity (years)	**4.7**	3.8	3.8	3.8
Capital (period-end)				
Total number of REIT A Units and LP B Units (in millions)	**81.1**	103.4	110.0	114.0

Footnotes: please refer to definitions on page 7.

- **Dispositions update for the quarter:** For the three months ended September 30, 2017 we completed investment property dispositions for gross proceeds net of adjustments of $1.4 billion, which includes the sale of our remaining interest in Scotia Plaza and 100 Yonge St. for $0.7 billion. Including the dispositions completed this quarter and subsequent to quarter end, the Trust has sold just over $3.2 billion of investment properties since the beginning of 2016, leaving a portfolio of $2.8 billion of higher-quality assets, largely focused in downtown Toronto. Further, the Trust has over $100 million of properties currently under contract to be sold or in various stages of discussion.

- **Capital allocation for the quarter and year-to-date:** For the three and nine months ended September 30, 2017, the Trust collectively purchased for cancellation under the NCIB and SIB programs approximately 22.3 million REIT A Units ($21.01 per unit for a cost of $468.7 million) and 29.1 million REIT A Units ($20.67 per unit for a cost of $601.9 million) in the respective periods.

  For the three and nine months ended September 30, 2017, the Trust repaid in full the outstanding balances on the demand revolving credit facilities of $156.0 million and $178.0 million, respectively. Further, on September 27, 2017, the Trust purchased and cancelled $4.6 million of Series A Debentures with an original aggregate principal amount of $175 million that matures on June 13, 2018.

  For the three and nine months ended September 30, 2017, the Trust discharged mortgages primarily related to the disposition of assets totalling $748.6 million and $1.1 billion, respectively. During the quarter and on October 1, 2017, the Trust repaid early approximately $35.5 million and $58.4 million of mortgages, respectively, with a weighted average face rate of interest of 4.59% and an average remaining term of 3.5 years. As a result of the early repayments, the Trust incurred approximately $1.6 million and $2.6 million of debt settlement costs in the respective periods, resulting in an unencumbered asset pool of approximately $300 million.

  On November 9, 2017, Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT") announced a $75 million equity offering to partially fund the acquisition of a portfolio of four light industrial properties located in the United States. Concurrently with the equity offering, the Trust will subscribe for $25 million of Dream Industrial REIT units through a private placement. Closing of the private placement is expected to occur on or about November 21, 2017.

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- **Conservative capital structure with ample liquidity:** We ended the quarter with net total debt-to-gross book value ratio(1) of 39.5%, net debt-to-adjusted EBITDFV(1) of 6.5 years, and interest coverage ratio(1) of 3.1 times. Our available liquidity of $666.7 million comprises undrawn demand revolving credit facilities totalling $406.9 million and $259.8 million of cash and cash equivalents on hand as at September 30, 2017.

OPERATIONAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)			As at
	September 30, 2017	June 30, 2017	September 30, 2016
Total Portfolio(2)			
Number of properties	**46**	51	148
Gross leasable area ("GLA") (in 000's of sq. ft.)	**8,544**	9,035	20,787
Investment properties value (in $000's)(3)	**$ 2,837,363**	$ 2,900,793	$ 5,426,359
Comparative Portfolio(4)			
Occupancy rate - including committed (period-end)	**90.3%**	91.1%	91.6%
Occupancy rate - in-place (period-end)	**87.4%**	88.4%	89.1%
Average in-place and committed net rent per square foot (period-end)	**$ 20.64**	$ 20.61	$ 21.06
Weighted average lease term (years)	**4.7**	4.8	5.0

Footnotes: please refer to definitions on page 7.

- **Update on major known lease vacancies:** In September 2017, Aviva Canada Inc. vacated approximately 0.3 million square feet at Aviva Corporate Centre (comprising two properties) lowering in-place occupancy from 100.0% at Q2 2017 to 26.7% at Q3 2017 and reducing gross revenue by approximately $8 million on an annualized basis, partially offset by expected savings in operating expenses. The Trust is currently exploring redevelopment opportunities at this desirable development site given its close proximity to the $8.4 billion Metrolinx Eglinton Crosstown Light Rail Transit project which is expected to be operational in 2021. During the quarter, we have reclassified these properties as properties held for redevelopment and excluded it from our comparative property operating metrics.

  On October 1, 2017, Loyalty Management vacated approximately 0.2 million square feet at 438 University Ave. lowering in-place occupancy from 91% at Q3 2017 to 31% in Q4 2017 and reducing gross revenue by approximately $8 million on an annualized basis, partially offset by expected savings in operating expenses. Over the next 14 months, the Trust will ready the space to accommodate the new government tenant that will take effect in December 2018. 438 University Ave. is situated in a desirable location at the south-west corner of University Ave. and Dundas St. West, directly atop the St. Patrick TTC subway station and within close proximity to major hospitals.

  On April 1, 2017, Bell Canada vacated approximately 0.2 million square feet at 700 DLG which was substantially backfilled by National Bank of Canada for a term of 10 years. Bell Canada has a further 0.2 million square feet of lease maturities at the end of Q1 2018, for which we have lease commitments totalling 68 thousand square feet, resulting in a loss of $4 million to gross revenue on an annualized basis. Given the increasingly favourable economy in Montréal, we are confident in our ability to re-let the vacancy at 700 DLG.

  Notwithstanding that the prospects and value of these properties remains strong, from a financial perspective, the major vacancies noted above are going to negatively impact our comparative property performance over the next five quarters.

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- **In-place occupancy:** As at September 30, 2017, our comparative portfolio in-place occupancy was 87.4% compared to 88.4% and 89.1% at Q2 2017 and Q3 2016, respectively. The decline on a quarter-over-quarter and year-over-year basis in occupancy was primarily due to negative absorption mainly at 606 4th Building, Rocky Mountain Plaza and Life Plaza in Calgary, 700 DLG in Montréal and 1900 Sherwood Place and Saskatoon Square in Saskatchewan. Partially offsetting this decline in occupancy was an increase of 0.7% and 2.2%, respectively, in the Mississauga and North York region.

- **Leasing activity:** For the three months ended September 30, 2017, approximately 225 thousand square feet of leases commenced, of which approximately 126 thousand square feet were renewals, resulting in a tenant retention ratio of approximately 43.3%. The retention ratio for the quarter is lower than our historical average primarily driven by known vacancies at 1900 Sherwood Place and Saskatoon Square in Saskatchewan totalling approximately 50 thousand square feet; at 36 Toronto St. in Toronto downtown totalling approximately 25 thousand square feet; and at 700 DLG in Montréal totalling approximately 15 thousand square feet.

  For the nine months ended September 30, 2017, approximately 1.1 million square feet of leases commenced, of which approximately 681 thousand square feet were renewals, resulting in a tenant retention ratio of approximately 55.1%.

  To date, we have secured 2017 and 2018 lease maturities totalling approximately 1.4 million square feet and 1.2 million square feet in our comparative portfolio, respectively, bringing the percentage to 80% of our 2017 lease maturities and 68% of our 2018 lease maturities.

  Our Toronto downtown properties currently account for approximately 40% of our total GLA and approximately 53% of our fair value of investment properties.

  Leasing momentum in downtown Toronto remains robust given the low vacancy rates, which remain amongst the tightest in North America. To date, we have completed 115% of our 2018 lease maturities in the Toronto downtown region. Most recently, we have secured approximately 69 thousand square feet at Adelaide Place with higher than expected net rental rates and are currently working on over 50 thousand square feet of leasing at various properties in downtown Toronto with an expectation of higher net rental rates relative to expiring rents. During the quarter, the net rents for leases that commenced were approximately 5% above expiring net rents. Further, as at September 30, 2017, downtown Toronto market rents are estimated to be approximately 8% higher than our in-place and committed net rents.

SUBSTANTIAL COMPLETION OF DISPOSITION PROGRAM

In February 2016, we announced our strategic plan to improve the long-term NAV of the Trust, by selectively disposing of assets while forgoing short-term cash flows and yield. We had originally set out to sell $1.2 billion of non-core assets over three years; however, as we progressed through our disposition program, we found the private markets had a stronger than expected appetite for our assets. Further, we reviewed our portfolio at the beginning of 2017 and expanded upon our disposition goals to include some of our assets that did not have opportunities to increase their value through redevelopment and intensification. We have substantially completed our disposition program, having sold just over $3.2 billion of assets since the beginning of last year, leaving a portfolio of higher-quality assets with a focus in downtown Toronto.

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The following table summarizes the major components of our NAV per unit:

	Value (in $ millions)	Per unit	GLA (in millions of sq. ft.)	Occupancy - in-place and committed (%)	WALT (years)
Investment properties					
Calgary	$ 432	$ 5.32	1.9	77.7%	4.7
Toronto Downtown	1,498	18.47	3.4	97.7%	5.2
Mississauga and North York	218	2.69	0.6	93.6%	3.2
Ottawa and Montréal	357	4.40	1.1	92.0%	5.8
Non-core markets	332	4.09	1.5	86.6%	3.4
Total Investment properties	2,837	34.97	8.5	90.3%	4.7
Mortgages	(1,156)	(14.25)			
Investment properties net of mortgages	1,681	20.72			
Redevelopment properties and assets classified as held for sale, net of related debt	138	1.70			
Investment in Dream Industrial REIT	193	2.38			
Other debt(10)	(316)	(3.90)			
Cash and other items	121	1.50			
NAV(1)	$ 1,817	$ 22.40			

Footnotes: please refer to definitions on page 7.

Consistent with our strategy, we have used our repatriated capital from dispositions to repurchase our units, positioning the Trust for future NAV increases to have a more dramatic effect on a per unit basis. Accordingly, since the announcement of our strategic plan, we have purchased approximately 33.9 million REIT A units for a total cost of approximately $693.1 million or $20.46 per unit. In conjunction with the disposition program and unit buybacks, we reduced our distribution from $2.24 per unit prior to the announcement of our strategic plan to $1.00 per unit this past July. The reduction in our distribution was done to maintain a conservative payout ratio, retain appropriate maintenance capital and generate investment capital to be used to improve the value of our portfolio.

With our strategic plan announced in February 2016 now substantially complete, we can now look to the next phase of our strategy, to become a nimble, value-add real estate operator positioned to unlock the value in our downtown Toronto assets through redevelopment and intensification.

CHANGE IN BOARD OF TRUSTEES

Effective November 3, 2017, Johann Koss resigned as a Board of Trustee in order to focus on other business opportunities.

CALL

Management will host a conference call to discuss the results tomorrow, November 10, 2017 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 5098 584#. 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.

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 8.5 million square feet of gross leasable area(9) 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) NOI, comparative properties NOI, FFO, FFO per unit, diluted FFO per unit, NAV, 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.

(2) Total portfolio includes investment in joint ventures and excludes properties held for sale and redevelopment at the end of each period.

(3) Investment properties excludes properties held for sale and redevelopment at the end of each period.

(4) Comparative portfolio includes investment in joint ventures and excludes properties sold, properties held for sale and redevelopment at the end of Q3 2017.

(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 and a further reduction to $0.08333 per unit, or $1.00 on an annualized basis, effective for the July 2017 distribution.

(6) A description of the determination of basic and diluted amounts per unit can be found in section "Our Equity" 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) Interest coverage ratio has been restated in the comparative periods to conform to current period presentation.

(9) Excludes properties held for sale and redevelopment.

(10) Other debt consists of unsecured debentures net of financing costs related to demand revolving credit facilities.

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, diluted FFO per unit, FFO per unit, FFO, NAV, NAV per unit, NOI, comparative properties NOI, interest coverage ratio, net debt-to-adjusted EBITDFV, net total debt-to-gross book value, 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, 2017.

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Forward looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements regarding our plans, objectives and strategies; the future composition of our portfolio; our intensification and redevelopment plans. 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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