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DREAM OFFICE REIT REPORTS YEAR-END RESULTS AND APPOINTMENT OF MICHAEL J. COOPER AS CHIEF EXECUTIVE OFFICER

TORONTO, FEBRUARY 22, 2018, 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 months and year ended December 31, 2017. Management will host a conference call to discuss the results on February 23, 2018 at 8:00 a.m. (ET).

FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION	Three months ended			Year ended	
(unaudited) ($000's except per unit amounts)	**December 31, 2017**	September 30, 2017	December 31, 2016	**December 31, 2017**	December 31, 2016
Operating results					
Net income (loss)	**$ 100,731**	$ (637)	$ (100,671)	**$ 134,786**	$ (879,705)
Adjusted net operating income ("NOI")[1]	**38,760**	41,624	41,354	**169,075**	174,141
Comparative properties NOI[1]	**42,079**	43,270	44,230	**173,067**	183,985
Funds from Operations ("FFO")[1]	**32,235**	44,653	67,155	**197,869**	290,887
EBITDFV[1]	**46,239**	64,524	98,191	**274,011**	417,845
Distributions					
Total distributions[5]	**$ 19,927**	$ 22,249	$ 42,235	**$ 122,422**	$ 177,633
Per unit amounts[6]					
Distribution rate[5]	**$ 0.25**	$ 0.25	$ 0.38	**$ 1.25**	$ 1.56
FFO (basic)[1]	**0.40**	0.48	0.59	**2.03**	2.55
FFO (diluted)[1]	**0.40**	0.48	0.59	**2.03**	2.54
Net asset value ("NAV")[1]	**23.46**	22.40	22.48	**23.46**	22.48

Footnotes: please refer to definitions on page 7.

- **Net income for the quarter and year:** For the three months ended December 31, 2017, the Trust generated net income of $100.7 million, consisting primarily of net rental income of $41.4 million and fair value adjustments to investment properties and financial instruments of $71.6 million, offset by interest expense on debt and subsidiary redeemable units of $16.5 million and net losses on transactions and other activities of $1.6 million.

  For the year ended December 31, 2017, the Trust generated net income of $134.8 million, consisting primarily of net rental income of $257.7 million and fair value adjustments to investment properties and financial instruments of $6.3 million, offset by interest expense on debt and subsidiary redeemable units of $93.1 million and net losses on transactions and other activities of $37.9 million.

- **NAV per unit[1]:** As at December 31, 2017, our NAV per unit was $23.46, compared to $22.40 at September 30, 2017 and $22.48 at December 31, 2016, up $1.06 or 4.7% and $0.98 or 4.4%, respectively. The increase in NAV per unit during the quarter and year was primarily driven by fair value gains in Toronto downtown investment properties and unit buybacks, offset by fair value losses taken on properties in our Calgary and Non-core markets regions (Saskatchewan in particular) and properties sold and held for sale.

The following table summarizes the major components of our NAV per unit as at December 31, 2017:

	Value (in $ millions)	Per unit	GLA (in millions of sq. ft.)	Occupancy - in-place and committed (%)	WALT (years)
Investment properties					
Calgary	$ 387	$ 4.90	1.8	77.1%	4.6
Toronto downtown	1,708	21.64	3.5	96.8%	5.2
Mississauga and North York	216	2.74	0.6	94.5%	5.0
Ottawa and Montréal	356	4.51	1.1	93.6%	5.6
Non-core markets	212	2.68	1.2	86.9%	3.3
Total Investment properties	2,879	36.47	8.2	90.4%	4.8
Mortgages	(1,081)	(13.69)			
Investment properties, net of mortgages	1,798	22.78			
Properties classified as held for sale and select redevelopment properties, net of related debt	92	1.17			
Investment in Dream Industrial REIT	221	2.80			
Unsecured debentures	(290)	(3.68)			
Cash and other items	31	0.39			
NAV[1]	$ 1,852	$ 23.46			
Less: LP B units	116				
Equity per consolidated financial statements	**$ 1,736**				

Our Toronto downtown properties currently account for approximately 42% of our total GLA and approximately 59% of our comparative portfolio fair value of investment properties.

"Two years ago, it was clear that many of Canada's office markets and particularly suburban and older assets were facing significant challenges," said Michael J. Cooper, Chairman and Chief Executive Officer. "We have repositioned our business to increase our downtown Toronto presence, which is one of the healthiest office markets in the world, to about 60% of our overall value. We have attacked challenging assets, markets and known vacancies head on, having made transformational improvements in the quality of our assets and our balance sheet, with a dramatic reduction in our units outstanding. For 2018, we are focused on increasing the value of all of our assets through initiatives that provide our tenants with an even better experience within our buildings, pursuing intensification opportunities and maximizing our net operating income from our properties."

- **Diluted FFO per unit[1] for the quarter and year:** Diluted FFO per unit for the three months ended December 31, 2017 was $0.40, compared to $0.48 and $0.59 at Q3 2017 and Q4 2016, respectively. Diluted FFO per unit for the year ended December 31, 2017 was $2.03, compared to $2.54 for the year ended December 31, 2016. The decrease in diluted FFO per unit for the three months and year ended December 31, 2017 when compared to the prior year respective periods was primarily as a result of allocating capital repatriated from property dispositions to reduce overall debt levels, net of unit buybacks (-$0.22 and -$0.55, respectively), along with a decrease in comparative properties NOI[1] (-$0.02 and -$0.11, respectively), partially offset by lease termination fees and other non-recurring items (+$0.05 and +$0.15, 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 reduce overall debt levels, net of unit buybacks (-$0.07), along with a decrease in comparative properties NOI[1] (-$0.01).

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- **Comparative properties NOI(1) for the quarter and year:** For the three months ended December 31, 2017, comparative properties NOI decreased by 4.9% over the prior year comparative quarter, mainly driven by decreases at 700 De la Gauchetière St. W. ("700 DLG") in Montréal, at 438 University Ave. in Toronto downtown and in Saskatchewan within our Non-core markets regions, partially offset by increases in the Mississauga and North York region.

  As previously disclosed, the decrease in comparative properties NOI at 700 DLG was mainly driven by Bell Canada vacating approximately 0.2 million square feet at the beginning of Q2 2017, which was substantially backfilled immediately by National Bank of Canada for a term of ten 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 taking occupancy immediately, resulting in a loss of $4 million to gross revenue on an annualized basis. Given the increasingly favourable economy in Montréal, we remain confident in our ability to re-let the vacancy at 700 DLG.

  The decrease in comparative properties NOI at 438 University Ave. was mainly driven by Loyalty Management vacating approximately 0.2 million square feet of space at the beginning of Q4 2017, reducing gross revenue by approximately $8 million on an annualized basis, partially offset by expected savings in operating expenses. Over the course of 2018, 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.

  Further, the decrease in comparative properties NOI in Saskatchewan 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 are the Mississauga and North York and Calgary regions with higher occupancies at Sussex Centre in Mississauga, 444-7th Building and 606-4th Building in Calgary.

  For the year ended December 31, 2017, comparative properties NOI decreased by 5.9% over the prior year, with decreases in Calgary, Ottawa and Montréal and Saskatchewan within our Non-core markets regions, partially offset by increases in the Toronto downtown and Mississauga and North York regions. The overall decrease in comparative properties NOI was mainly due to lower occupancy and net rental rates.

  The major vacancies noted above are going to negatively impact our comparative property performance over the next four quarters.

- **Fair value adjustments to investment properties for the quarter and year:** For the three months ended December 31, 2017, the Trust recorded a fair value gain of $78.7 million, mainly driven by fair value gains in Toronto downtown totalling $203.0 million, reflecting higher stabilized NOI to account for higher market rate assumptions and capitalization rate compression. Partially offsetting this were fair value losses in our Calgary and Non-core markets regions (Saskatchewan in particular) totalling $106.9 million, reflecting a soft leasing environment in those regions with the balance of the fair value losses mainly attributable to properties sold and held for sale.

  For the year ended December 31, 2017, the Trust recorded a fair value gain of $23.1 million, mainly driven by the same reasons noted above.

  For the three months ended December 31, 2017, the Trust valued 21 investment properties (mainly in the Toronto downtown region) by external appraisers with an aggregate fair value of $1.8 billion, representing approximately 61% of the total investment property values.

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CAPITAL HIGHLIGHTS

KEY FINANCIAL PERFORMANCE METRICS (unaudited)			As at
	December 31, 2017	September 30, 2017	December 31, 2016
Financing			
Weighted average face interest rate (period-end)[7]	**3.90 %**	3.93 %	3.84 %
Interest coverage ratio (times)[1][8]	**3.1**	3.1	3.1
Net total debt-to-adjusted EBITDFV (years)[1]	**7.1**	6.5	7.7
Net total debt-to-total assets[1][8]	**39.6 %**	39.7 %	52.4 %
Net secured debt-to-total assets[1][8]	**30.6 %**	30.0 %	44.3 %
Debt – average term to maturity (years)	**4.5**	4.7	3.8
Available liquidity[1]			
Cash and cash equivalents on hand (in millions)	**$ 96.9**	$ 259.8	$ 9.2
Undrawn demand revolving credit facilities (in millions)	**396.7**	406.9	613.5
Total available liquidity (in millions)	**493.6**	666.7	622.7
Unencumbered assets (in millions)	**299.0**	160.0	244.0
Capital (period-end)			
Total number of REIT A Units and LP B Units (in millions)[9]	**78.9**	81.1	110.0

Footnotes: please refer to definitions on page 7.

- **Dispositions update for the quarter:** For the three months ended December 31, 2017 we completed investment property dispositions for gross proceeds net of adjustments of $184.1 million.

  "The Trust has sold approximately $3.3 billion of properties since early 2016 resulting in an increase to the overall quality of our portfolio and a very strong balance sheet, while reducing our units by over one-third to increase net asset value per unit," said Rajeev Viswanathan, Chief Financial Officer. "Our focus has now shifted to pursuing embedded opportunities in our core assets, supported by a flexible and conservative balance sheet."

- **Capital allocation for the quarter and year:** For the three months and year ended December 31, 2017, the Trust was very active in redeploying the net proceeds received from dispositions to purchase units and pay down debt. For the three months and year ended December 31, 2017, the Trust received net proceeds from dispositions totalling approximately $38.4 million and $1.66 billion, respectively and used the net proceeds and cash and cash equivalents on hand to purchase units for cancellation totalling approximately 2.2 million REIT A Units ($21.62 per unit for a cost of $47.3 million) and 31.3 million REIT A Units ($20.74 per unit for a cost of $649.2 million), respectively, and repaid debt totalling $100.3 million and $916.0 million, respectively.

  On November 21, 2017, Dream Industrial REIT completed an $86.5 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 subscribed for 2,858,000 Dream Industrial REIT units through a private placement totalling $25.0 million, to maintain our ownership interest in Dream Industrial REIT and provide the Trust a good return. As at December 31, 2017, the Trust owns 25.6% of Dream Industrial REIT.

- **Conservative capital structure with ample liquidity:** We ended the year with net total debt-to-total assets ratio[1] of 39.6%, net debt-to-adjusted EBITDFV[1] of 7.1 years, and interest coverage ratio[1] of 3.1 times. Our available liquidity of approximately $494 million comprises undrawn demand revolving credit facilities totalling approximately $397 million and $97 million of cash and cash equivalents on hand as at December 31, 2017.

OPERATIONAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited)						
						As at
		December 31, 2017		September 30, 2017		December 31, 2016
Total Portfolio[2]						
Number of properties		**42**		46		121
GLA (in 000's of sq. ft.)		**8,188**		8,544		17,233
Investment properties value (in $000's)[3]	**$**	**2,878,839**	$	2,837,363	$	4,895,355
Comparative Portfolio[4]						
Occupancy rate - including committed (period-end)		**90.4%**		90.4%		91.8%
Occupancy rate - in-place (period-end)		**86.1%**		87.4%		89.5%
Average in-place and committed net rent per square foot (period-end)	**$**	**21.02**	$	20.71	$	20.94
Weighted average lease term (years)		**4.8**		4.8		5.0

Footnotes: please refer to definitions on page 7.

- **In-place occupancy:** As at December 31, 2017, our comparative portfolio in-place occupancy was 86.1%, compared to 87.4% and 89.5% at Q3 2017 and Q4 2016, respectively. The decline on a quarter-over-quarter basis was primarily due to a known vacancy at 438 University Ave. in Toronto downtown. Partially offsetting this decline in occupancy was an increase to occupancy in Calgary of 3.2%, mainly at 444-7th Building.

  The decline on a year-over-year basis in occupancy was primarily due to known vacancies at 438 University Ave. in Toronto downtown, 700 DLG in Montréal, and vacancies at 1900 Sherwood Place and Saskatoon Square in Saskatchewan. Partially offsetting this decline in occupancy was an increase of 1.8% in the Mississauga and North York region.

- **Leasing activity:** For the three months ended December 31, 2017, approximately 0.3 million square feet of leases commenced, of which approximately 0.1 million square feet were renewals. The retention ratio for the quarter was 57.5% after excluding the known vacancy at 438 University Ave. in Toronto downtown totalling approximately 0.2 million square feet.

  For the year ended December 31, 2017, approximately 1.4 million square feet of leases commenced, of which approximately 0.8 million square feet were renewals, resulting in a tenant retention ratio of approximately 48.9%. Excluding the known vacancy at 438 University Ave., our retention ratio for the quarter improves to 55.5%.

  To date, we have secured 2018 lease commitments totalling approximately 1.3 million square feet in our comparative portfolio, representing over three quarters of our 2018 lease maturities. The Trust has also leased over one-third of the 2019 lease maturities.

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Leasing momentum in downtown Toronto remains robust given the low vacancy rates, which remain amongst the lowest in North America. To date, we have completed 126% of our 2018 lease maturities in the Toronto downtown region. During the quarter, the net rents for leases that commenced in Toronto downtown were approximately 6.5% above expiring net rents. Further, as at December 31, 2017, downtown Toronto market rents are estimated to be approximately 15% higher than our in-place and committed net rents.

APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER

The Trust is pleased to announce the appointment of Michael J. Cooper as Chief Executive Officer of the Trust. Mr. Cooper is currently and will remain the Chairman of the Trust. In his new position, Mr. Cooper will also oversee the Trust's operations as Dream Office REIT executes the next phase of its strategy.

"Jane Gavan has done an outstanding job as CEO of Dream Office REIT and has been integral to the successful transformation of the Trust," said Michael J. Cooper, Chairman and Chief Executive Officer. "Jane has also been instrumental in the tremendous growth of Dream Global REIT, establishing it as a premier European REIT. With an expanding platform and growing asset base, Jane will be focused on executing the growth strategy for Dream Global REIT. I am pleased that she will remain a part of the Dream Office REIT leadership, and will be nominated to the Board of Trustees shortly. I would like to thank her for her remarkable achievements and wish her continued success."

CALL

Management will host a conference call to discuss the results tomorrow, February 23, 2018 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 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 owns well-located, high-quality central business district office properties in major urban centres across Canada, with a focus on downtown Toronto. For more information, please visit our website at www.dreamofficereit.ca.

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FOOTNOTES

(1) Adjusted NOI, comparative properties NOI, EBITDFV, FFO, basic FFO per unit, diluted FFO per unit, NAV, NAV per unit, available liquidity, interest coverage ratio, net debt-to-adjusted EBITDFV, net debt-to-total assets, and net secured debt-to-total assets 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 properties at the end of each period.

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

(4) Comparative portfolio includes investment in joint ventures and excludes properties sold, properties held for sale and redevelopment properties at the end of Q4 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; the Trust further revised its monthly distribution to $0.08333 per unit, or $1.00 on an annualized basis, effective with 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, net debt-to-total assets, and net secured debt-to-total assets have been restated in the comparative periods to conform to current period presentation.

(9) Total number of REIT A Units and LP B Units includes 5.2 million LP B Units which are classified as a liability under IFRS.

NON-GAAP MEASURES

The Trust's 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 NOI, comparative properties NOI, EBITDFV, FFO, basic FFO per unit, diluted FFO per unit, NAV, NAV per unit, available liquidity, interest coverage ratio, net total debt-to-adjusted EBITDFV, net total debt-to-total assets, net secured debt-to-total assets, 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, net rental income, cash generated from (utilized in) operating activities, non-current debt, 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 months and year ended December 31, 2017.

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, the terms of and duration of secured tenant renewals, and anticipated market rents. 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

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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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