



DUNDEE REIT'S LEASING ACTIVITY GAINS MOMENTUM

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 7, 2008 DUNDEE REIT (D.UN-TSX) today posted its financial results for the quarter ended June 30, 2008. Dundee REIT's management team will be holding a conference call to discuss the results on Friday, August 8th at 9:00 a.m. (ET). To access the conference call, please dial (416) 340-2220 in Toronto and overseas or 1-866-226-1798 elsewhere in Canada and the United States. A taped replay of the call will be available from August 8, 2008 at 11:00 a.m. (ET) to August 15, 2008 at 11:59 p.m. (ET). Please dial 416-695-5800 or 1-800-408-3053 and use passcode 3265962 to access the replay. The call will also be available via webcast at www.dundeereit.com.

FINANCIAL HIGHLIGHTS

- **Q2 rental property revenues up 19% over Q2 2007 to \$45.4 million**
- **Q2 net operating income ("NOI") up 16% to \$28.7 million; comparative properties NOI up 1% to \$18.7 million**
- **Q2 funds from operations ("FFO") stable at \$0.76**
- **Occupancy increased to 96.5%; 20% of the portfolio leased or renewed in first 6 months of 2008**
- **Quarter-end weighted average interest rate remains low at 5.84%**
- **Strong interest coverage ratio of 2.35 times**
- **\$57.3 million in acquisitions completed in Q2**
- **Positioned for growth with \$167 million of cash and available borrowing lines**

SELECTED FINANCIAL INFORMATION (unaudited) (\$000's except unit and per unit amounts)	Three Months Ended June 30, 2008	Three Months Ended March 31, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Rental property revenues	\$ 45,441	\$ 44,195	\$ 38,334	\$ 89,636	\$ 71,776
Net operating income ("NOI") ⁽¹⁾	28,747	27,005	24,716	55,752	45,565
Funds from operations ("FFO") ⁽²⁾	16,143	15,697	37,309	31,839	69,080
Adjusted funds from operations ("AFFO") ⁽³⁾	10,749	10,635	29,182	21,384	54,351
Book value of rental properties	1,140,319	1,085,192	2,329,352		
Debt	885,488	794,446	1,428,483		
Per unit data (basic)					
FFO	0.76	0.74	0.76	1.50	1.47
AFFO	0.51	0.50	0.59	1.01	1.16
Distributions	0.55	0.55	0.55	1.10	1.10
Units (period end)					
REIT Units, Series A	17,192,393	17,143,922	41,594,536		
REIT Units, Series B	476,316	476,316	-		
LP Class B Units, Series 1	3,412,956	3,354,851	7,893,688		
Total number of units	21,081,665	20,975,089	49,488,224		
Occupied and committed space	96.5%	95.0%	96.2%		

"While the markets are tougher and more volatile than last year, we are very confident about our business. We will continue to focus on managing our properties well and will exercise discipline and patience until the right market opportunities arise," said Michael Cooper, Vice Chairman and Chief Executive Officer.

FINANCIAL HIGHLIGHTS

- **Rental properties NOI up 16% to \$28.7 million** – rental properties NOI increased by 16% over the prior year second quarter. Acquisitions were the primary driver behind this growth, contributing \$3.8 million for the three-month period.
- **Comparative properties NOI up 1% to \$18.7 million** – comparative NOI increased by 1% over the prior year second quarter, mainly reflecting rising rental rates on renewals and new leasing in the industrial portfolio. Comparative office NOI remained flat while comparative industrial NOI increased by 2%.
- **Funds from operations remained stable at \$0.76** – on a per unit basis, FFO remained unchanged compared to the same period in 2007 and increased by 2 cents since the first quarter of 2008.
- **Adjusted funds from operations per unit decreased by 14% to \$0.51** – for the quarter, AFFO per unit decreased to \$0.51 from \$0.59, largely reflecting the impact of the sale of the Eastern real estate portfolio as well as dilution arising from surplus cash.
- **Participation in the Distribution Reinvestment Plan (“DRIP”) remains high** – at June 30, 2008, approximately 25% of the total units outstanding were enrolled in the DRIP, including 10% of REIT Units, Series A and 100% of LP Class B Units, Series 1. During the second quarter, the Trust’s cash distribution payout ratio was 75%.

OPERATIONAL HIGHLIGHTS

- **Portfolio occupancy increased to 96.5%** – the overall percentage of occupied and committed space increased to 96.5% and the average in-place net rent increased by 7.5% to \$14.50 per square foot compared to the fourth quarter of 2007. “Our leasing activity has gained significant momentum during the quarter, the results of which should improve our performance in the second half of the year. Year-to-date, we have leased or renewed 20% of our portfolio.” said Michael Knowlton, President and Chief Operating Officer.

	Occupancy			Average In-place Net Rent (per sq. ft.)		
	June 30, 2008	Dec. 31, 2007	June 30, 2007	June 30, 2008	Dec. 31, 2007	June 30, 2007
Office	97.4%	96.7%	96.5%	\$ 17.26	\$ 16.30	\$ 13.74
Industrial	94.1%	96.7%	95.8%	6.93	6.71	6.03
Total	96.5%	96.7%	96.2%	14.50	13.49	10.07

ACQUISITION HIGHLIGHTS

During the quarter, the Trust acquired IBM Corporate Park in Calgary. This three-building complex comprises 356,000 square feet, is of exceptionally high quality and has a blue chip tenant base. Dundee REIT acquired a 33% interest in the property for approximately \$57.3 million, with the remaining interest acquired by a European institutional partner. Dundee REIT manages the property. Subsequent to quarter-end, the Trust acquired 4370 Dominion Street in Burnaby, British Columbia for approximately \$11.5 million.

CAPITAL INITIATIVES

- **Normal course issuer bid** – During the quarter, the Trust purchased for cancellation 3,000 REIT Units, Series A under the normal course issuer bid at an average price of \$31.40 per unit. Subsequent to quarter end, an additional 171,000 units were purchased for cancellation at an average price of \$30.86.
- **Debt** – The Trust completed three mortgage transactions during the quarter, raising an additional \$95.5 million at an average rate of 5.2%. As a result, the Trust’s average interest rate remains low at 5.84%, a decrease from 5.93% as at March 31, 2008. The year-to-date interest coverage ratio remains strong at 2.35 times (December 31, 2007 – 2.51 times; June 30, 2007 – 2.45 times). Excluding the impact of surplus cash, interest coverage would be 2.56 times, reflecting the Trust’s ability to cover interest expense requirements.

Information appearing in this news release is a select summary of results. The financial statements and management's discussion and analysis for the Trust, as well as its Supplementary Information Package are available at www.dundeereit.com and on www.sedar.com.

Dundee REIT is an unincorporated, open-ended real estate investment trust and provides high quality, affordable business premises. It is focused on owning, acquiring, leasing and managing mid-sized urban and suburban office and industrial properties in Canada. Dundee REIT's portfolio currently consists of approximately 7.2 million square feet of gross leasable area, located primarily in Western Canada. Dundee REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit www.dundeereit.com.

FOOTNOTES

- (1) NOI – rental property operating revenue less rental property operating expenses excluding redevelopment properties and discontinued operations.
- (2) FFO - net income, adjusted for future income tax, depreciation and amortization, gain (loss) on sale, internalization of property manager, non-controlling interest and other amortization from continuing and discontinued operations.
- (3) AFFO – distributable income (as defined in Dundee REIT's Declaration of Trust) adjusted for the Trust's estimates of normalized leasing costs and normalized non-recoverable recurring capital expenditures.

NOI, FFO and AFFO are key measures of performance used by real estate operating companies; however, they are not defined by generally accepted accounting principles (GAAP), do not have standard meanings and may not be comparable with other industries or income trusts.

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 Dundee REIT's control, that 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. Dundee 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 Dundee REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dundee REIT's website at www.dundeereit.com.

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For further information, please contact:

Michael J. Cooper
Vice Chairman and
Chief Executive Officer
(416) 365-5145
mcooper@dundeereit.com

J. Michael Knowlton
President and
Chief Operating Officer
(416) 365-2325
mknowlton@dundeereit.com

Mario Barrafato
Senior Vice-President and
Chief Financial Officer
(416) 365-4132
mbarrafato@dundeereit.com