

## Base Shelf Prospectus

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. A copy of this preliminary short form prospectus has been filed under legislation in each of the provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws, and accordingly will not be offered, sold or delivered, directly or indirectly within the United States of America, its possessions and other areas subject to its jurisdiction, except in limited circumstances. See "Plan of Distribution".*

*Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Dundee REIT at 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1 (telephone 416-365-3535), and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PRELIMINARY SHORT FORM PROSPECTUS

New Issue

November 19, 2012



## DUNDEE REAL ESTATE INVESTMENT TRUST

**\$2,000,000,000**

**Units**

**Debt Securities**

Dundee Real Estate Investment Trust ("**Dundee REIT**") may from time to time offer REIT Units, Series A ("**Units**") and debt securities ("**Debt Securities**"), which may include Debt Securities convertible into or exchangeable for units of the REIT, or any combination thereof for an aggregate offering price of up to \$2,000,000,000 (or its equivalent, at the date of issue, in any other currency or currencies) during the 25-month period that this short form base shelf prospectus (this "**Prospectus**"), including any amendments hereto, remains valid. The Units and Debt Securities are referred to in this Prospectus as the "**Securities**".

The specific terms of any offering of Securities will be set forth in a shelf prospectus supplement (a "**Prospectus Supplement**") and may include, where applicable: (i) in the case of Units, the number of Units offered, the offering price, whether the Units are being offered for cash or other consideration, and any other terms and any other specific terms; and (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, currency or currency unit for Debt Securities, maturity, interest rate provisions, authorized denominations, covenants, events of default, any terms for redemption, any exchange or conversion provisions, the initial offering price (or the manner of determination thereof if offered on a non-fixed price basis), any terms for subordination of the Debt Securities to other indebtedness, whether the Debt Securities will be secured by any assets or guaranteed by any other person and any other specific terms. You should read this Prospectus and any applicable Prospectus Supplement before you invest in any Securities.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not

limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items, other than as required to provide for an interest rate that is adjusted for inflation. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as CDOR (the Canadian Dollar Offered Rate) or LIBOR (the London Interbank Offered Rate), and/or that are convertible into or exchangeable for Units.

Dundee REIT is an unincorporated, open-ended real estate investment trust governed by the laws of Ontario. Our head office is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario M5C 3H1.

Our outstanding Units are listed on the Toronto Stock Exchange (the "TSX") under the symbol D.UN. **Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities will not be listed on any securities exchange and there is no market through which the Debt Securities may be sold and purchasers may not be able to resell the Debt Securities purchased under this Prospectus. This may affect the pricing of the Debt Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Debt Securities, and the extent of issuer regulation. See the risk factors in the Prospectus Supplement relating to the particular Debt Securities.**

We may offer and sell Securities to or through underwriters or dealers purchasing as principals, and may also sell Securities directly to one or more purchasers or through dealers acting as agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged in connection with the offering and sale of Securities, and will set forth the terms of the offering of such Securities, including the method of distribution of such Securities, the proceeds to the REIT and any fees, discounts or other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

Unless otherwise specified in the relevant Prospectus Supplement, in connection with any offering of Securities, the underwriters, dealers or agents may effect transactions that stabilize or maintain the market price of the Securities at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

**There are certain risks inherent in an investment in our Securities and in our activities. Prospective investors should carefully consider these risk factors before purchasing Units. See "Risk Factors".**

A return on an investment in Units is not comparable to the return on an investment in a fixed income security. The recovery of your investment in Units is at risk, and the anticipated return on your investment in Units is based on many performance assumptions. Although we intend to make distributions of our available cash to holders of Units, these cash distributions may be reduced or suspended, depending on numerous factors disclosed in our continuous disclosure documents. In addition, the market value of the Units may decline if we are unable to meet our cash distribution targets in the future, and that decline may be significant.

It is important for you to consider the particular risk factors that may affect the real estate industry and therefore the stability of distributions that holders of Units receive. See, for example, "Risk Factors" in this Prospectus, "Risks Inherent in the Real Estate Industry May Affect Our Financial Performance" under the section "Risk Factors" in our annual information form dated March 30, 2012 and "Risks and Our Strategy to Manage" in our 2011 MD&A. Those sections may also describe our assessment of certain of those risk factors, as well as the potential consequences if a risk should occur.

The after-tax return from an investment in Units to holders subject to Canadian income tax will depend, in part, on the composition for income tax purposes of distributions paid by Dundee REIT on its Units, portions of which may be fully or partially taxable or may constitute tax deferred distributions which are not subject to tax at the time of receipt but reduce a holder's adjusted cost base in the Unit for tax purposes. The composition may change over time, thus affecting a holder's after-tax return. Distributions of the taxable income of Dundee REIT are generally taxed as ordinary income in the hands of a holder. Distributions in excess of the taxable income of Dundee REIT are generally tax-deferred (and reduce a holder's adjusted cost base in the Unit for tax purposes).

We are not a trust company and are not registered under applicable legislation governing trust companies as we do not carry on the business of a trust company. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act*, and are not insured under the provisions of that Act or any other legislation.

All shelf information permitted under applicable securities legislation to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

## TABLE OF CONTENTS

<p>DOCUMENTS INCORPORATED BY REFERENCE ..... 1</p> <p>FORWARD-LOOKING INFORMATION ..... 2</p> <p>TERMS USED TO DESCRIBE DUNDEE REIT AND ITS ACTIVITIES ..... 3</p> <p>MARKET AND INDUSTRY DATA ..... 3</p> <p>DUNDEE REIT ..... 3</p> <p>RECENT DEVELOPMENTS ..... 4</p> <p>CONSOLIDATED CAPITALIZATION ..... 4</p> <p>USE OF PROCEEDS ..... 4</p> <p>EARNINGS COVERAGE RATIOS ..... 5</p> <p>DESCRIPTION OF UNITS ..... 5</p> <p>DESCRIPTION OF DEBT SECURITIES ..... 5</p> <p>PLAN OF DISTRIBUTION ..... 11</p> <p>PRIOR SALES ..... 12</p>	<p>TRADING PRICE AND VOLUME ..... 12</p> <p>CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS ..... 15</p> <p>RISK FACTORS ..... 15</p> <p>LEGAL MATTERS AND INTERESTS OF EXPERTS ..... 15</p> <p>AUDITORS, TRANSFER AGENT AND REGISTRAR ..... 15</p> <p>PURCHASERS' STATUTORY RIGHTS ..... 15</p> <p>AUDITOR'S CONSENT ..... A-1</p> <p>AUDITOR'S CONSENT ..... A-2</p> <p>AUDITOR'S CONSENT ..... A-3</p> <p>GLOSSARY OF TERMS ..... B-1</p> <p>CERTIFICATE OF THE REIT ..... C-1</p>
---	--

### DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the various securities regulatory commissions or similar authorities in the provinces of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the annual information form of Dundee REIT dated March 30, 2012;
- (b) the management information circular of Dundee REIT dated April 5, 2012 prepared in connection with the annual and special meeting of unitholders held on May 3, 2012;
- (c) the audited consolidated financial statements of Dundee REIT as at December 31, 2011, December 31, 2010 and January 1, 2010 and for the years ended December 31, 2011 and December 31, 2010, together with the notes thereto and the independent auditor's report thereon;
- (d) the unaudited condensed consolidated financial statements of Dundee REIT as at September 30, 2012 and for the three-month and nine-month periods ended September 30, 2012, together with the notes thereto;
- (e) the 2011 MD&A;
- (f) the 2012 Q3 MD&A;
- (g) the material change report of Dundee REIT dated January 18, 2012;
- (h) the material change report of Dundee REIT dated March 9, 2012;
- (i) the material change report of Dundee REIT dated May 28, 2012;
- (j) the material change report of Dundee REIT dated October 5, 2012;
- (k) the business acquisition report of Dundee REIT dated August 15, 2011; and
- (l) the business acquisition report of Dundee REIT dated March 14, 2012.

Any documents of the type referred to above, any comparative interim financial statements, any business acquisition reports, any material change reports (excluding confidential material change reports, if any), any annual information forms and any information circulars filed by Dundee REIT with the provincial securities commissions or similar authorities in Canada during the term of this Prospectus shall be deemed to be incorporated by reference into and form an integral part of this Prospectus. **Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or omission to state a material fact that was required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall be deemed, except as so modified or superseded, not to constitute a part of this Prospectus.**

Upon new audited annual financial statements being filed by Dundee REIT with the applicable securities regulatory authorities during the term of this Prospectus, the previously filed audited annual financial statements and all unaudited interim financial statements, together with related management's discussion and analysis, relating to prior periods shall be deemed to no longer be incorporated into this Prospectus for the purposes of future offers and sales of securities under this Prospectus.

Upon a new annual information form being filed by Dundee REIT with the applicable securities regulatory authorities during the term of this Prospectus, the previously filed annual information form, any material change reports filed prior to the end of the financial year in respect of which the new annual information form is filed, any information circular filed since the start of such financial year (unless otherwise required by applicable Canadian securities legislation to be incorporated by reference into this Prospectus), and any business acquisition report for acquisitions completed since the beginning of such financial year (unless such report is incorporated by reference into the current annual information form or less than nine months of the acquired business' or related businesses' operations are incorporated into Dundee REIT's most recent audited annual financial statements), shall be deemed no longer to be incorporated by reference into this Prospectus for the purposes of future offers and sales of securities under this Prospectus. Upon a new information circular prepared in connection with an annual general meeting of Dundee REIT being filed with the applicable securities regulatory authorities during the term of this Prospectus, the previous information circular prepared in connection with an annual general meeting of Dundee REIT shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

Upon interim financial statements and related management's discussion and analysis being filed by Dundee REIT with the applicable securities regulatory authorities during the term of this Prospectus, all previously filed interim financial statements and related management's discussion and analysis shall be deemed no longer to be incorporated by reference into this Prospectus for the purposes of future offers and sales of securities under this Prospectus.

A Prospectus Supplement containing the specific terms of an offering of Securities and other information relating to the Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement, but only for the purpose of the distribution of the Securities to which the Prospectus Supplement pertains.

## **FORWARD-LOOKING INFORMATION**

This Prospectus includes or incorporates by reference certain statements that are "forward-looking information" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, in this Prospectus that address activities, events, developments or financial performance that we or a third party expect or anticipate will or may occur in the future, including our future growth, results of operations, performance and business prospects and opportunities, and the assumptions underlying any of the foregoing, are forward-looking statements and constitute forward-looking information. Forward-looking information is based upon a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond our

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; our ability to source and complete accretive acquisitions; interest and currency rate fluctuations; and those that are described under the heading “Risk Factors” in this Prospectus, under the heading “Risk Factors” in our annual information form dated March 30, 2012 and under the heading “Risks and Our Strategy to Manage” in our 2011 MD&A.

Although the forward-looking statements contained in this Prospectus are based upon what we believe are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Our material assumptions made in preparing the forward-looking information contained in this Prospectus include the assumptions that: the Canadian economy will remain stable; interest rates will remain stable; conditions in the real estate market, including competition for acquisitions, will be consistent with the current climate; and capital markets will continue to provide us with ready access to equity and/or debt.

All forward-looking information in this Prospectus speaks as of the date of this Prospectus. We do 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 our filings with securities regulators, including our latest annual information form, which are available on SEDAR at [www.sedar.com](http://www.sedar.com). These filings are also available on our website at [www.dundeereit.com](http://www.dundeereit.com).

## **TERMS USED TO DESCRIBE DUNDEE REIT AND ITS ACTIVITIES**

Capitalized terms used in this Prospectus are defined under “Glossary of Terms”.

Our investment and operating activities are limited, because our operating activities are carried out by Dundee Properties LP, our principal operating subsidiary. We hold our interest in Dundee Properties LP through two limited partnerships, Partnership A and Partnership B. For simplicity, we use terms in this Prospectus to refer to our investments and operations as a whole. Accordingly, in this Prospectus, unless the context otherwise requires, when we use terms such as “we”, “us” and “our”, we are referring to Dundee REIT and its subsidiary entities, including trusts and partnerships in which Dundee REIT owns directly or indirectly more than a 50% equity interest. When we use expressions such as “our investments” or “our operations”, we are referring to the investments and operations of Dundee REIT and these subsidiary entities as a whole. When we use expressions such as “our properties”, “our portfolio”, “we own” or “we invest in” in relation to our properties, we are referring to our ownership of and investment in our properties indirectly through Dundee Properties LP. When we use expressions such as “we operate”, we are referring to our operations through Dundee Properties LP. When we refer to “Dundee REIT”, we are referring only to Dundee Real Estate Investment Trust.

## **MARKET AND INDUSTRY DATA**

Certain market information incorporated by reference in this Prospectus has been obtained from the CB Richard Ellis MarketView, Third Quarter 2012, a publication prepared by a commercial firm that provides information relating to the real estate industry. Although we believe this information is reliable, the accuracy and completeness of this information is not guaranteed. We have not independently verified this information and make no representation as to its accuracy.

## **DUNDEE REIT**

We are a provider of high quality, affordable business premises. Our portfolio comprises central business district and suburban office properties predominantly located in major urban centres across Canada. At September 30, 2012, our portfolio consisted of approximately 22.4 million square feet of gross leasable area. Through Dundee Management LP, we provide property management services to our tenants and others.

Dundee REIT is an unincorporated open-ended real estate investment trust governed by the laws of Ontario. Dundee REIT is a “mutual fund trust” as defined in the Tax Act, but is not a “mutual fund” within the meaning of applicable Canadian securities legislation. Our head office is located at 30 Adelaide Street East,

Suite 1600, Toronto, Ontario M5C 3H1. A copy of our Declaration of Trust is available from our Secretary during the period of distribution of the Securities and is available at SEDAR at [www.sedar.com](http://www.sedar.com).

## **RECENT DEVELOPMENTS**

### **Completion of Sale of Industrial Properties**

On October 4, 2012, we completed the sale of 77 industrial properties to Dundee Industrial Real Estate Investment Trust (“**Dundee Industrial REIT**”). This transaction is described in the material change report of Dundee REIT dated October 5, 2012 and in our other continuous disclosure documents filed with applicable securities regulatory authorities.

We hold an approximate 44.1% effective interest in Dundee Industrial REIT in the form of exchangeable limited partnership units of the operating subsidiary of Dundee Industrial REIT, which are exchangeable for units of Dundee Industrial REIT.

### **Acquisitions**

Details of our acquisitions for the three-month and nine-month periods ended September 30, 2012 can be found in the 2012 Q3 MD&A.

### **Current discussions and agreements regarding proposed acquisitions and dispositions**

Consistent with our past practices and in the normal course, we are engaged in discussions with respect to possible acquisitions of new properties and dispositions of existing properties in our portfolio. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition or disposition would be. We expect to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

## **CONSOLIDATED CAPITALIZATION**

The material changes in our consolidated capitalization from October 1, 2012 to November 16, 2012 are as follows:

- Indebtedness, consisting of debt excluding debt related to discontinued operations and other assets held for sale, increased by \$18.0 million. This increase was as a result of assumption of mortgages from property acquisitions of \$43.4 million offset by: (i) \$25.1 million in scheduled lump sum and principal repayments; and (ii) the conversion of \$0.1 million principal amount of 6.5% Debentures, the conversion of \$0.1 million principal amount of 5.7% Debentures, and the conversion of \$0.1 million principal amount of 7.0% Series G Debentures. In addition, the number of subsidiary redeemable units increased due to the issuance of 3,906 LP B Units pursuant to the DRIP-like provisions of the limited partnership agreement of Dundee Properties LP; and
- Unitholders’ equity increased due to (i) the issuance of 205,534 Units pursuant to the DRIP; (ii) the issuance of 3,048 Units as a result of the conversion of \$0.1 million principal amount of 7.0% Series G Debentures, the issuance of 2,920 Units as a result of the conversion of \$0.1 million principal amount of 6.5% Debentures, and the issuance of 2,865 Units as a result of the conversion of \$0.1 million principal amount of 5.7% Debentures, and (iii) the issuance of 644 Units pursuant to the unit purchase plan portion of the DRIP.

## **USE OF PROCEEDS**

Specific information about our use of the net proceeds from an offering of Securities will be set forth in the Prospectus Supplement for that offering.

## EARNINGS COVERAGE RATIOS

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to the issuance of Debt Securities pursuant to this Prospectus.

## DESCRIPTION OF UNITS

### Units

Each Unit represents an undivided beneficial interest in Dundee REIT and in distributions made by Dundee REIT, whether of net income, net realized capital gains or other amounts and, in the event of our termination or winding up, in our net assets remaining after the satisfaction of all our liabilities. No Unit has preference or priority over any other.

Each Unit entitles the holder thereof to one vote for each whole Unit held at all meetings of unitholders of Dundee REIT.

The Units have no conversion, retraction, redemption or pre-emptive rights. Issued and outstanding Units may be subdivided or consolidated from time to time by our trustees with the approval of a majority of our unitholders. Unitholder approval is not required for an automatic consolidation.

The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of such act or any other legislation. Furthermore, we are not a trust company and, accordingly, we are not registered under any trust and loan company legislation as we do not carry on nor intend to carry on the business of a trust company.

For more information regarding our Units, see “Declaration of Trust and Description of REIT Units” in our most recent annual information form.

### Limitation on Non-Resident Ownership

In order for Dundee REIT to maintain its status as a mutual fund trust under the Tax Act, it must not be established or maintained primarily for the benefit of non-residents of Canada. Accordingly, there are certain restrictions on the number of non-residents that may own our voting securities. See “Declaration of Trust and Description of REIT Units—Limitation on Non-Resident Ownership” in our most recent annual information form.

## DESCRIPTION OF DEBT SECURITIES

### General

The Debt Securities will be issued under one or more indentures, in each case between Dundee REIT and a trustee determined by Dundee REIT in accordance with applicable laws. The statements made below relating to any trust indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof, are not complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable trust indenture. A copy of the trust indenture will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Prospectus Supplement relating to any Debt Securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

- the designation of the series of the Debt Securities, which will distinguish the series of the Debt Securities from all other series of Debt Securities;
- any limit upon the aggregate principal amount of the series of the Debt Securities that may be certified and delivered under a trust indenture or supplement to a trust indenture;



- the date or dates on which the principal and any premium of the series of the Debt Securities is payable;
- the rate or rates at which the series of the Debt Securities shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which a record, if any, shall be taken for the determination of holders to whom such interest shall be payable and/or the method or methods by which such rate or rates or date or dates shall be determined;
- the place or places where the principal of and any interest on the series of the Debt Securities shall be payable or where any series of the Debt Securities may be surrendered for registration of transfer or exchange;
- the right, if any, of Dundee REIT to redeem the series of the Debt Securities, in whole or in part, at its option and the period or periods within which, the price or prices at which and any terms and conditions upon which, the series of the Debt Securities may be so redeemed, pursuant to any sinking fund or otherwise;
- the obligation, if any, of Dundee REIT to redeem, purchase or repay the series of the Debt Securities pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which, the period or periods within which, the date or dates on which, and any terms and conditions upon which, the series of the Debt Securities shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;
- if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which the series of the Debt Securities shall be issuable;
- any trustees, depositories, authenticating or paying agents, transfer agents or registrars or any other agent with respect to the series of the Debt Securities;
- any events of default or covenants with respect to the series of the Debt Securities;
- whether and under what circumstances the series of the Debt Securities will be convertible into or exchangeable for securities of Dundee REIT or any other person;
- the form and terms of the series of the Debt Securities, including, without limitation, if the series of the Debt Securities shall be in registered or unregistered form;
- if applicable, that the series of the Debt Securities shall be issuable in whole or in part as one or more global Debt Securities and, in such case, the depository or depositories for such global Debt Securities in whose name the global Debt Securities will be registered;
- if other than Canadian currency, the currency in which the series of the Debt Securities are issuable; and
- any other term of the series of the Debt Securities.

All Debt Securities of any one series shall be substantially identical, except as may otherwise be established pursuant to a resolution of the Trustees, in an officers' certificate, or in the trust indenture or supplement to the trust indenture for the Debt Securities. All Debt Securities of any one series need not be issued at the same time and may be issued from time to time.

If we sell any of the Debt Securities for any foreign currency or currency unit or if payments on the Debt Securities are payable in any currency or currency unit other than the Canadian dollar, we will describe in the Prospectus Supplement the restrictions, elections, tax consequences, specific terms and other information relating to those Debt Securities and the non-Canadian dollar currency or currency unit.

## Convertible Debentures

We may issue Debt Securities that are convertible debentures (“**Convertible Debentures**”). We currently have a trust indenture dated as of June 21, 2004 providing for the issuance of Convertible Debentures. We refer to such indenture, as amended, as the “**Indenture**” and the trustee under the Indenture as the “**Debenture Trustee**”. The following is a summary of certain provisions of Convertible Debentures that may be issued under the Indenture. This summary is not complete.

### *General*

The principal on Convertible Debentures is payable in lawful money of Canada or, at the option of Dundee REIT and subject to applicable regulatory approval, by payment of freely-tradeable Units to satisfy, in whole or in part, our obligation to repay the principal amount of the Convertible Debentures.

All Convertible Debentures are direct unsecured obligations of Dundee REIT. All Convertible Debentures as soon as issued or negotiated, subject to the terms hereof and the terms of any indenture supplemental hereto, shall rank: senior to the prior Convertible Debentures (and senior to any future indebtedness issued pursuant to the Indenture), and *pari passu* with each other, and shall be equally and proportionately entitled to the benefits hereof, whatever may be the actual date or terms of the issue of same, respectively, as if all of the Convertible Debentures had been issued and negotiated simultaneously. The payment of the principal of, and interest on, all Convertible Debentures shall, as provided herein, be subordinated in right of payment to all Senior Indebtedness (including all payments thereunder).

The Convertible Debentures are direct obligations of Dundee REIT and are not secured by any mortgage, pledge, hypothec or other charge and are subordinated to all other liabilities of Dundee REIT. The Indenture does not restrict Dundee REIT or its Subsidiaries from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging our real or personal property or properties to secure any indebtedness.

The Convertible Debentures are transferable, and may be presented for conversion, at the principal offices of the Trustee in Toronto, Ontario.

### *Payment upon Redemption or Maturity*

Upon redemption or at the maturity date, we will repay the indebtedness represented by the Convertible Debentures by paying to the Trustee, in lawful money of Canada, an amount equal to the principal amount of the outstanding Convertible Debentures, together with accrued and unpaid interest thereon. We may, at our option, on not more than 60 days’ and not less than 30 days’ prior notice and subject to any required regulatory approvals, unless an Event of Default has occurred and is continuing, elect to satisfy our obligation to repay, in whole or in part, the principal amount of the Convertible Debentures which are to be redeemed or which have matured by issuing freely-tradeable Units, in whole or in part, to the holders of the Convertible Debentures. No fractional Units will be issued to holders of Convertible Debentures but in lieu thereof we shall satisfy such fractional interest by a cash payment equal to the Current Market Price of such fractional interest.

### *Interest Payment Election*

Unless an Event of Default has occurred and is continuing, we may elect, at any time and from time to time, subject to applicable regulatory approval, to issue and deliver freely-tradeable Units to the Trustee in order to raise funds to satisfy all or any part of our obligations to pay interest on the Convertible Debentures in accordance with the Indenture in which event holders of the Convertible Debentures will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Units by the Trustee. The Indenture provides that, upon such election, the Trustee shall: (a) accept delivery of Units from us; (b) accept bids with respect to, and consummate sales of, such Units, each as we shall direct in our absolute discretion; (c) invest the proceeds of such sales in specified short term Canadian federal or provincial government or Canadian chartered bank obligations which mature prior to the applicable Interest Payment Date; (d) deliver proceeds to the registered holders of the Convertible Debentures (or any transferees of such persons) sufficient to satisfy our interest payment obligations; and (e) perform any other action necessarily incidental thereto as directed by us in our absolute discretion. The

amount received by a holder in respect of interest and the timing of payment thereof will not be affected by whether or not we elect to utilize the Unit Interest Payment Option.

Neither our making of the Unit Interest Payment Option nor the consummation of sales of Units will (a) result in the registered holders of the Convertible Debentures not being entitled to receive, on the applicable payment date, cash in an aggregate amount equal to the interest payable on such payment date; or (b) entitle such holders to receive any Units in satisfaction of the interest payable on the applicable payment date.

#### *Redemption and Purchase*

We have the right to purchase Convertible Debentures in the market, by tender or by private contract subject to regulatory requirements; provided, however, that if an Event of Default has occurred and is continuing, we will not have the right to purchase the Convertible Debentures by private contract.

In the case of redemption of less than all of the Convertible Debentures, the Convertible Debentures to be redeemed will be selected by the Convertible Debentures Trustee on a *pro rata* basis or in such other manner as the Trustee deems equitable, subject to the consent of the stock market on which the Units are traded.

#### *Cancellation*

All Convertible Debentures converted, redeemed or purchased as aforesaid are cancelled and may not be reissued or resold.

#### *Subordination*

The payment of the principal of, and interest on, the Convertible Debentures is subordinated in right of payment, in the circumstances referred to below and more particularly as set forth in the Indenture, to the Senior Indebtedness of Dundee REIT. "Senior Indebtedness" of Dundee REIT is defined in the Indenture as all indebtedness of Dundee REIT (whether outstanding as at the date of the Indenture or thereafter incurred) which, by the terms of the instrument creating or evidencing the indebtedness, is not expressed to be *pari passu* with, or subordinate in right of payment to, the Convertible Debentures. The Convertible Debentures do not limit our ability to incur additional indebtedness, including indebtedness that ranks senior to the Convertible Debentures, or from mortgaging, pledging or charging real or personal property or properties of Dundee REIT to secure any indebtedness.

The Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to Dundee REIT, or to Dundee REIT's property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of Dundee REIT, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of Dundee REIT, all creditors entitled to Senior Indebtedness receive payment in full before the registered holders of the Convertible Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Convertible Debentures or any unpaid interest accrued thereon.

The Convertible Debentures are effectively subordinate to claims of creditors (including trade creditors) of Dundee REIT's Subsidiaries except to the extent Dundee REIT is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors.

#### *Modification*

The rights of the registered holders of the Convertible Debentures may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Trust Indenture contains certain provisions which make Extraordinary Resolutions binding on all registered holders of the Convertible Debentures. Under the Indenture, the Convertible Debentures Trustee has the right to make certain amendments to the Indenture in its discretion, without the consent of the registered holders of the Convertible Debentures.

### *Events of Default*

The Indenture provides that an Event of Default in respect of the Convertible Debentures occurs if certain events described in the Trust Indenture occur, including if any one or more of the following described events has occurred and is continuing with respect to the Convertible Debentures: (a) failure for 15 days to pay interest on the Convertible Debentures when due; (b) failure to pay principal or premium, if any, on the Convertible Debentures, whether at the maturity date, upon redemption, by declaration of acceleration or otherwise; (c) an unremedied breach of any material covenant or condition of the Trust Indenture by us after a 30 day cure period following notice of such breach; or (d) certain events of bankruptcy, insolvency or reorganization of Dundee REIT under bankruptcy or insolvency laws. If an Event of Default has occurred and is continuing, the Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% in principal amount of the then outstanding Convertible Debentures, declare the principal of (and premium, if any) and interest on all outstanding Convertible Debentures to be immediately due and payable. Certain Events of Default may be waived by written direction of the holders of 66⅔% of the principal amount of the outstanding Convertible Debentures, by Extraordinary Resolution or by the Trustee in certain circumstances in accordance with the terms of the Indenture.

### *Offers for Convertible Debentures*

The Indenture contains provisions to the effect that if an offer is made for the Convertible Debentures which is a takeover bid for Convertible Debentures within the meaning of the *Securities Act* (Ontario), and not less than 90% of the outstanding principal amount of the Convertible Debentures (other than Convertible Debentures held at the date of the takeover bid by or on behalf of the offeror or associates or Affiliates of the offeror or any person acting jointly or in concert with the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Convertible Debentures held by the registered holders of the Convertible Debentures who did not accept the offer on the terms offered by the offeror.

### *Book-entry, Delivery and Form*

Convertible Debentures are issued in the form of global debentures held by, or on behalf of, the depository as custodian for its participants.

The Convertible Debentures are represented in the form of global debentures registered in the name of the depository or its nominee. Purchasers of Convertible Debentures represented by global debentures do not receive Convertible Debentures in definitive form. Rather, the Convertible Debentures are represented only in “book-entry only” form (unless we, in our sole discretion, elect to prepare and deliver definitive debt securities in fully-registered form). Beneficial interests in the global debentures, constituting ownership of the Convertible Debentures, will be represented through book-entry accounts of institutions (including the underwriters) acting on behalf of beneficial owners, as direct and indirect participants of the Convertible Debentures (the “**participants**”). Each purchaser of a Convertible Debenture represented by a global debenture will receive a customer confirmation of purchase from the underwriters from whom the Convertible Debentures is purchased in accordance with the practices and procedures of the selling underwriters. The practices of the underwriters may vary but generally customer confirmations are issued promptly after execution of a customer order. The depository is responsible for establishing and maintaining book-entry accounts for its participants having interests in global debentures.

If the depository notifies us that it is unwilling or unable to continue as depository in connection with the global debentures, or if at any time the depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and Dundee REIT and the Trustee are unable to locate a qualified successor, or if we elect, in our sole discretion, to terminate the book-entry system, beneficial owners of Convertible Debentures represented by global debentures at such time will receive definitive debentures.

### *Transfer and Exchange of Convertible Debentures*

Transfers of beneficial ownership in Convertible Debentures represented by global debentures is effected through records maintained by the depository for such global debentures or its nominees (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Unless we elect, in our discretion, to prepare and deliver definitive debentures, beneficial owners who are not participants in

the depository's book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interest in global debentures, may do so only through participants in the depository's book-entry system.

The ability of a beneficial owner of an interest in a Convertible Debenture represented by a global debenture to pledge the Convertible Debenture or otherwise take action with respect to such owner's interest in a Convertible Debenture represented by a global debenture (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of definitive debentures may transfer such Convertible Debentures upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Convertible Debentures to the registrar for the Convertible Debentures at its principal offices in Toronto, Ontario or such other city or cities as may from time to time be designated by us whereupon new Convertible Debentures will be issued in authorized denominations in the same aggregate principal amount as the Convertible Debentures so transferred, registered in the names of the transferees. No transfer or exchange of a Convertible Debentures will be registered during the period from the date of any selection by the Trustee of any Convertible Debentures to be redeemed or during the 15 preceding days or thereafter until the close of business on the date upon which notice of redemption of such Convertible Debentures is given. In addition, no transfer or exchange of any Convertible Debentures which have been selected or called for redemption will be registered.

#### *Payments*

Payments of interest and principal on each global debentures are made to the depository or its nominee, as the case may be, as the registered holder of the global debentures. As long as the depository or its nominee is the registered owner of a global debenture, such depository or its nominee, as the case may be, will be considered the sole legal owner of the global debenture for the purposes of receiving payments of interest and principal on the Convertible Debentures and for all other purposes under the Indenture and the Convertible Debentures. Interest payments on global debentures will be made by electronic funds transfer on the day interest is payable and delivered to the depository or its nominee, as the case may be. We will make any withholdings or deductions from all payments of interest on the Convertible Debentures in respect of taxes required by law or by the interpretation or administration thereof and will remit the full amount withheld or deducted to the relevant taxing authority in accordance with applicable law.

We understand that the depository or its nominee, upon receipt of any payment of interest or principal in respect of a global debenture, will credit participants' accounts, on the date interest or principal is payable, with payments in amounts proportionate to their respective beneficial interest in the principal amount of such global debenture as shown on the records of the depository or its nominee. We also understand that payments of interest and principal by participants to the owners of beneficial interest in such global debenture held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such participants. Our responsibility and liability in respect of payments on Convertible Debentures represented by the global debenture is limited solely and exclusively, while the Convertible Debentures are registered in global debenture form, to making payment of any interest and principal due on such global debenture to the depository or its nominee.

If definitive debentures are issued instead of or in place of global debentures, payments of interest on each definitive debenture will be made by electronic funds transfer, if agreed to by the holder of the definitive debenture or if required under any applicable payment clearing system rules, or by cheque dated the Interest Payment Date and mailed at least five Business Days preceding the applicable Interest Payment Date to the address of the holder appearing in the register maintained by the registrar for the Convertible Debentures at the close of business on the Record Date. Payment of principal at maturity will be made at the principal office of the Convertible Debentures Trustee in the City of Toronto, Ontario (or in such other city or cities as may from time to time be designated by us) against surrender of the definitive debentures, if any. If the due date for payment of any amount of principal or interest on any definitive debentures is not, at the place of payment, a Business Day, such payment will be made on the next Business Day and the holder of such definitive debenture shall not be entitled to any further interest or other payment in respect of such delay.

### *Reports to Holders*

We file with the Trustee, within 15 days after the filing thereof with the Ontario Securities Commission, copies of our annual report and the information, documents and other reports that we are required to file with the Ontario Securities Commission and deliver to our Unitholders. Notwithstanding that we may not be required to remain subject to the reporting requirements of the Ontario Securities Commission, we shall provide to the Trustee: (a) within 90 days after the end of each fiscal year, our annual financial statement; and (b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, our interim financial statements which shall, at a minimum, contain such information as is required to be provided in quarterly reports under the laws of Canada or any province thereof to security holders of a company with securities listed on a stock exchange in Canada, whether or not we have any of our securities so listed. Each of such reports will be prepared in accordance with applicable Canadian disclosure requirements and IFRS. We will provide copies of such information, documents and reports to registered holders of Convertible Debentures upon request.

### *Governing Law*

Each of the Indenture and the Convertible Debentures are governed by, and will be construed in accordance with, the laws of the Province of Ontario applicable to contracts executed and to be performed entirely in such province.

## **PLAN OF DISTRIBUTION**

We may sell Securities: (a) through underwriters, dealers or agents purchasing as principal or acting as agent; (b) directly to one or more purchasers, including sales upon the exercise of conversion or exchange rights attaching to convertible or exchangeable securities held by the purchaser; or (c) through a combination of any of these methods of sale. Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market price or at prices to be negotiated with purchasers, either for cash or for other consideration.

The Prospectus Supplement relating to each offering of Securities will identify each underwriter, dealer or agent, as the case may be, and will also set forth the terms of that offering, including the purchase price of such Securities, the proceeds to Dundee REIT and any underwriters', dealers' or agents' fees, commissions or other items constituting underwriters' or agents' compensation. Only underwriters, dealers or agents so named in the applicable Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby.

In connection with the sale of Securities, underwriters, dealers or agents may receive compensation from Dundee REIT in the form of commissions, concessions or discounts. Any such commissions may be paid out of the general funds of Dundee REIT or the proceeds of the sale of the Securities.

Under agreements which may be entered into by Dundee REIT, underwriters, dealers and agents who participate in the distribution of Securities may be entitled to indemnification by Dundee REIT against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters or agents may be required to make in respect thereof.

In connection with any offering of Securities, the underwriters, dealers or agents who participate in the distribution of Securities may over-allot or effect transactions which stabilize or maintain the price of the Securities at a higher level than that which might exist in the open market. Such transactions may be commenced, interrupted or discontinued at any time.

Unless stated to the contrary in any Prospectus Supplement, the Securities have not been and will not be registered under the 1933 Act or any state securities laws and may not be offered or sold within the United States or to U.S. persons within the meaning of Regulation S under the 1933 Act, except in certain transactions exempt from the registration requirements of the 1933 Act. In addition, until 40 days after the commencement of an offering of Securities, an offer or sale of the Securities within the United States or to U.S. persons by any dealer, whether or not participating in the offering, may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the 1933 Act.

## PRIOR SALES

During the 12-month period before the date of this Prospectus, Dundee REIT has completed the following distributions of Units and securities that are convertible into Units:

On June 12, 2012, Dundee REIT completed a bought deal public offering of Units at a price of \$35.90 per Unit, resulting in a total of 10,392,550 Units being issued for gross proceeds of \$373,092,545.

On March 28, 2012, Dundee REIT completed a bought deal public offering of Units at a price of \$35.35 per Unit, resulting in a total of 6,555,000 Units being issued for gross proceeds of \$231,719,250.

On March 2, 2012, Dundee REIT issued 12,580,347 Units in connection with the acquisition of Whiterock.

On December 20, 2011, Dundee REIT completed a bought deal public offering of Units at a price of \$32.75 per Unit, resulting in a total of 4,393,000 Units being issued for gross proceeds of \$143,870,750.

Dundee REIT distributes Units on a monthly basis to existing unitholders who elect to reinvest their monthly distributions in Units pursuant to the DRIP. In addition, holders of LP B Units may elect to reinvest the monthly distributions on their LP B Units in Units pursuant to DRIP-like arrangements provided for in the Dundee Properties LP agreement. During the 12-month period before the date of this Prospectus, Dundee REIT has issued 1,169,194 Units pursuant to the DRIP and the DRIP-like arrangements under the Dundee Properties LP agreement. Units distributed pursuant to the DRIP and the DRIP-like arrangements under the Dundee Properties LP agreement are issued at a price equal to the weighted average closing price of the Units on the TSX for the five trading days immediately preceding the relevant distribution payment date. Unitholders who participate in the DRIP or the DRIP-like arrangements under the Dundee Properties LP agreement receive a “bonus” distribution with each reinvestment equal to 4.0% of the amount of the distribution reinvested in the form of additional Units.

Dundee REIT also has a Deferred Unit Incentive Plan, pursuant to which it grants Deferred Units to its Trustees and senior officers and certain of its employees. Units are issued to participants in the Deferred Unit Incentive Plan upon vesting of the Deferred Units, unless deferred in accordance with the terms of the Deferred Unit Incentive Plan. During the 12-month period before the date of this Prospectus, Dundee REIT has issued 22,130 Units pursuant to the Deferred Unit Incentive Plan.

Pursuant to the terms of the Debentures, the 6.5% Debentures are convertible into Units at a conversion price of \$25.00 per Unit (being a conversion ratio of 40 Units per \$1,000 principal amount), the 5.7% Debentures are convertible into Units at a conversion price of \$30.00 per Unit (being a conversion ratio of 33.33333 Units per \$1,000 principal amount) and the 6.0% Debentures are convertible into Units at a conversion price of \$41.40 per Unit (being a conversion ratio of 24.15459 Units per \$1,000 principal amount). During the 12-month period before the date of this Prospectus, Dundee REIT has issued 28,120 Units upon the conversion of 6.5% Debentures, 82,952 Units upon the conversion of 5.7% Debentures and 4,347 Units upon the conversion of 6.0% Debentures.

In connection with the Whiterock acquisition, we assumed the principal amount outstanding under each of Whiterock’s debentures, which includes convertible and non-convertible debentures. The conversion prices under the convertible debentures have been adjusted in accordance with their terms. A total of 261,724 Units have been issued by Dundee REIT in respect of these convertible debentures.

Holders of LP B Units of Dundee Properties LP have the right to exchange such units for REIT B Units on a one-for-one basis. Each REIT B Unit is convertible at any time at the option of the holder into one fully-paid and non-assessable Unit. For information about the REIT B Units, see “Declaration of Trust and Description of REIT Units” in our most recent annual information form. During the 12-month period before the date of this Prospectus, no LP B Units were exchanged for REIT B Units.

## TRADING PRICE AND VOLUME

Our Units are listed on the TSX under the symbol “D.UN”. The following table sets forth the high and low reported trading prices and the trading volume of the Units on the TSX for each month before the date of this Prospectus from November 1, 2011 to November 16, 2012:

<b><u>Period</u></b>	<b><u>High (\$)</u></b>	<b><u>Low (\$)</u></b>	<b><u>Volume</u></b>
November 2011 .....	33.26	31.90	2,048,907
December 2011 .....	32.90	32.45	3,019,795
January 2012 .....	35.20	32.60	4,694,275
February 2012 .....	34.77	33.51	3,797,946
March 2012 .....	37.44	34.38	10,902,317
April 2012 .....	37.35	35.10	3,983,642
May 2012 .....	37.94	35.86	4,211,076
June 2012 .....	38.90	35.55	6,958,290
July 2012 .....	39.74	37.88	2,847,932
August 2012 .....	39.30	37.83	3,385,055
September 2012 .....	38.92	37.08	4,807,191
October, 2012 .....	37.76	36.11	3,494,505
Up to November 16, 2012 .....	36.94	34.05	2,842,691

The 6.5% Debentures are listed on the TSX under the symbol “D.DB”. The following table sets forth the high and low reported trading prices and the trading volume of such Debentures on the TSX for each month before the date of this Prospectus from November 1, 2011 to November 16, 2012:

<b><u>Period</u></b>	<b><u>High (\$)</u></b>	<b><u>Low (\$)</u></b>	<b><u>Volume</u></b>
November 2011 .....	131.28	128.46	1,060
December 2011 .....	—	—	—
January 2012 .....	127.02	122.04	480
February 2012 .....	125.02	124.02	380
March 2012 .....	145.98	135.00	750
April 2012 .....	140.00	140.00	50
May 2012 .....	150.00	143.00	470
June 2012 .....	151.90	142.41	120
July 2012 .....	155.00	150.00	450
August 2012 .....	—	—	—
September 2012 .....	—	—	—
October, 2012 .....	149.73	148.89	180
Up to November 16, 2012 .....	141.50	140.00	300

The 5.7% Debentures are listed on the TSX under the symbol “D.DB.A”. The following table sets forth the high and low reported trading prices and the trading volume of such Debentures on the TSX for each month before the date of this Prospectus from November 1, 2011 to November 16, 2012:

<b><u>Period</u></b>	<b><u>High (\$)</u></b>	<b><u>Low (\$)</u></b>	<b><u>Volume</u></b>
November 2011 .....	110.20	109.58	270
December 2011 .....	109.43	108.50	1,580
January 2012 .....	115.24	112.43	310
February 2012 .....	115.29	112.32	930
March 2012 .....	124.00	115.95	1,210
April 2012 .....	124.00	118.76	5,240
May 2012 .....	125.95	121.95	1,010
June 2012 .....	127.24	119.38	3,250
July 2012 .....	130.80	130.00	750
August 2012 .....	128.06	128.06	150
September 2012 .....	128.00	124.00	680
October, 2012 .....	122.19	122.00	360
Up to November 16, 2012 .....	120.00	120.00	140



The 6.0% Debentures are listed on the TSX under the symbol “D.DB.B”. The following table sets forth the high and low reported trading prices and the trading volume of such Debentures on the TSX for each month before the date of this Prospectus from November 1, 2011 to November 16, 2012:

<b><u>Period</u></b>	<b><u>High (\$)</u></b>	<b><u>Low (\$)</u></b>	<b><u>Volume</u></b>
November 2011 .....	104.50	102.90	27,980
December 2011 .....	105.00	103.75	6,700
January 2012 .....	104.60	103.75	8,300
February 2012 .....	105.01	103.00	7,100
March 2012 .....	105.00	102.50	4,750
April 2012 .....	104.00	102.00	17,040
May 2012 .....	103.50	102.05	26,260
June 2012 .....	103.56	102.25	25,220
July 2012 .....	103.00	102.05	32,580
August 2012 .....	104.00	102.75	46,050
September 2012 .....	102.99	101.55	18,760
October, 2012 .....	101.97	101.25	39,570
Up to November 16, 2012 .....	101.25	100.48	112,380

The 7.0 % Series G Debentures are listed on the TSX under the symbol “D.DB.G”. The following table sets forth the high and low reported trading prices and the trading volume of such Debentures on the TSX for each month before the date of this Prospectus from November 1, 2011 to November 16, 2012:

<b><u>Period</u></b>	<b><u>High (\$)</u></b>	<b><u>Low (\$)</u></b>	<b><u>Volume</u></b>
November 2011 .....	153.15	141.01	930
December 2011 .....	154.40	146.92	1,600
January 2012 .....	185.08	151.95	5,830
February 2012 .....	186.66	184.25	2,850
March 2012 .....	202.02	185.50	1,270
April 2012 .....	198.45	191.70	450
May 2012 .....	205.42	198.65	510
June 2012 .....	—	—	—
July 2012 .....	—	—	—
August 2012 .....	210.31	210.00	220
September 2012 .....	—	—	—
October, 2012 .....	200.19	200.19	100
Up to November 16, 2012 .....	200.00	188.02	230

The 5.5 % Series H Debentures are listed on the TSX under the symbol “D.DB.H”. The following table sets forth the high and low reported trading prices and the trading volume of such Debentures on the TSX for the period December 9, 2011 (the date of issuance of the 5.5% Series H Debentures) to November 16, 2012:

<b><u>Period</u></b>	<b><u>High (\$)</u></b>	<b><u>Low (\$)</u></b>	<b><u>Volume</u></b>
December 2011 (from December 9, 2011) .....	99.40	97.16	16,570
January 2012 .....	102.75	99.50	68,800
February 2012 .....	103.41	102.10	14,860
March 2012 .....	106.49	102.50	30,790
April 2012 .....	108.20	104.75	17,680
May 2012 .....	109.93	105.50	17,030
June 2012 .....	112.24	105.93	35,610
July 2012 .....	111.49	108.62	23,990
August 2012 .....	111.88	108.50	37,090
September 2012 .....	110.50	108.00	11,350
October, 2012 .....	109.99	107.02	27,330
Up to November 16, 2012 .....	109.94	105.00	5,980

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors described therein of purchasing, holding and disposing of applicable Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax considerations.

## **RISK FACTORS**

An investment in Securities is subject to a number of risks, including those set forth in our most recent annual information form and in our 2011 MD&A. Prospective investors should carefully consider these risks, in addition to information contained in the Prospectus Supplement relating to an offering and the information incorporated by reference therein, before purchasing Securities.

## **LEGAL MATTERS AND INTERESTS OF EXPERTS**

Unless otherwise specified in the Prospectus Supplement relating to an offer of Securities, certain legal matters relating to the issue and sale of the Securities will be passed upon on our behalf by Osler, Hoskin & Harcourt LLP and Wilson & Partners LLP.

As of the date of this Prospectus, the partners and associates of Osler, Hoskin & Harcourt LLP, as a group and the partners and associates of Wilson & Partners LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of any class or series of Dundee REIT and its Affiliates and associates.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

Our auditors are PricewaterhouseCoopers LLP, Chartered Accountants, Licensed Public Accountants located in Toronto, Ontario.

The transfer agent and registrar of the Units is Computershare Trust Company of Canada at its principal offices in Toronto, Ontario.

## **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

## AUDITOR'S CONSENT

We have read the short form base shelf prospectus of Dundee Real Estate Investment Trust ("**Dundee REIT**") dated November ●, 2012 relating to the unallocated offering of up to an aggregate of \$2,000,000,000 of units and debt securities of Dundee REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form base shelf prospectus of our report to the unitholders of Dundee REIT on the consolidated balance sheets of Dundee REIT as at December 31, 2011, December 31, 2010 and January 1, 2010 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010. Our report is dated February 22, 2012.

●

**Chartered Accountants, Licensed Public Accountants**

Toronto, Canada

●, 2012

## AUDITOR'S CONSENT

We have read the short form base shelf prospectus of Dundee Real Estate Investment Trust ("**Dundee REIT**") dated November ●, 2012 relating to the unallocated offering of up to an aggregate of \$2,000,000,000 of units and debt securities of Dundee REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form base shelf prospectus of our report to the partners of Blackstone/Slate Canadian Portfolio of Real Estate Partnerships (the "**Partnerships**") on the combined balance sheets of the Partnerships as at December 31, 2010 and 2009 and the combined statements of operations, partners' capital and cash flows for the years then ended. Our report is dated June 29, 2011.

●

**Chartered Accountants, Licensed Public Accountants**

Toronto, Canada

●, 2012

## AUDITOR'S CONSENT

We have read the short form base shelf prospectus of Dundee Real Estate Investment Trust (“**Dundee REIT**”) dated November ●, 2012 relating to the unallocated offering of up to an aggregate of \$2,000,000,000 of REIT Units, Series A and debt securities of Dundee REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form base shelf prospectus of our report to the unitholders of Whiterock Real Estate Investment Trust (“**Whiterock**”) on the consolidated balance sheets of Whiterock as at December 31, 2011 and 2010, and January 1, 2010, and the consolidated statements of income and comprehensive income, unitholders' equity and cash flows for the years ended December 31, 2011 and 2010. Our report is dated March 14, 2012.

●

### **Chartered Accountants**

Winnipeg, Canada

●, 2012

## GLOSSARY OF TERMS

“**1933 Act**” means the *United States Securities Act of 1933*, as amended;

“**2011 MD&A**” means management’s discussion and analysis of the financial condition and results of operations of Dundee REIT for the year ended December 31, 2011;

“**2012 Q3 MD&A**” means management’s discussion and analysis of the financial condition and results of operations of Dundee REIT for the nine-months ended September 30, 2012;

“**5.5% Series H Debentures**” means the 5.5% Series H Convertible Unsecured Subordinated Debentures of Whiterock due March 31, 2017 assumed by Dundee REIT;

“**5.7% Debentures**” means the Series 2005-1 5.7% convertible unsecured subordinated debentures of Dundee REIT due March 31, 2015;

“**6.0% Debentures**” means the 6.0% convertible unsecured subordinated debentures of Dundee REIT due December 31, 2014;

“**6.5% Debentures**” means the 6.5% convertible unsecured subordinated debentures of Dundee REIT due June 30, 2014;

“**7.0% Series G Debentures**” means the 7% Series G Convertible Unsecured Subordinated Debentures of Whiterock due December 31, 2014 assumed by Dundee REIT;

“**Affiliate**” means an affiliate within the meaning of National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“**Business Day**” means any day other than a Saturday or a Sunday on which Schedule I Canadian chartered banks are open for business in Toronto, Ontario;

“**Debt Securities**” means the debentures, notes or other evidence of indebtedness of Dundee REIT issued and certified under the Declaration of Trust.

“**Debt Securities Trustee**” has the meaning given to that term under “Description of Debt Securities”;

“**Declaration of Trust**” means the amended and restated declaration of trust of Dundee REIT dated March 31, 2011, as amended or amended and restated from time to time;

“**Deferred Unit Incentive Plan**” means the deferred unit incentive plan of Dundee REIT;

“**DRIP**” means our distribution reinvestment and unit purchase plan pursuant to which holders of Units and REIT B Units are entitled to elect to have cash distributions in respect of such units automatically reinvested in additional Units and to make optional cash purchases of additional Units;

“**Dundee Management LP**” means Dundee Management Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**Dundee Properties LP**” means Dundee Properties Limited Partnership, a limited partnership formed under the laws of the Province of Ontario of which Properties General Partner is the general partner and Partnership A, Partnership B and certain subsidiaries of Dundee Corporation are the sole limited partners;

“**Dundee REIT**” means Dundee Real Estate Investment Trust, an open-ended real estate investment trust formed under the laws of the Province of Ontario;

“**Extraordinary Resolution**” means resolutions passed at meetings of the holders of Convertible Debentures by votes cast thereat by holders of not less than 66⅔% of the principal amount of the then outstanding Convertible Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66⅔% of the principal amount of the then outstanding Convertible Debentures, binding on all holders of Convertible Debentures once passed;

“**Event of Default**” has the meaning given to it in the Trust Indenture, and includes the occurrence and continuation of any one or more of the following events with respect to the Convertible Debentures: (a) failure for 15 days to pay interest on the Debt Securities when due; (b) failure to pay principal or premium, if any, on the Convertible Debentures, whether at the maturity date, upon redemption, by declaration of acceleration or otherwise; (c) an unremedied breach of any material covenant or condition of the Indenture by Dundee REIT after a 30 day cure period following notice of such breach; or (iv) certain events of bankruptcy, insolvency or reorganization of Dundee REIT under bankruptcy or insolvency laws;

“**IFRS**” means International Financial Reporting Standards established by the International Accounting Standards Board and as adopted by the Canadian Institute of Chartered Accountants in Part I of the Canadian Institute of Chartered Accountants Handbook – Accounting, as amended from time to time;

“**Interest Payment Date**” means, for the 6.5% Debentures, June 30 and December 31 in each year, for the 5.7% Debentures, March 31 and September 30 in each year and for the 6.0% Debentures, June 30 and December 31 in each year;

“**LP B Units**” means the LP Class B, Series 1 limited partnership units of Dundee Properties LP;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“**Non-Residents**” means a non resident of Canada within the meaning of the Tax Act;

“**Partnership A**” means Dundee Properties OTA Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**Partnership B**” means Dundee Properties OTB Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**Prospectus**” means this short form base shelf prospectus of Dundee REIT;

“**Prospectus Supplement**” means a supplement to this Prospectus;

“**Record Date**” means the record date for the payment of interest on Convertible Debentures, being June 15 and December 15 in each year, or March 15 and September 15 in each year, as the case may be;

“**REIT A Units**” means REIT Units, Series A of Dundee REIT, each representing an undivided beneficial interest in any distributions from Dundee REIT;

“**REIT B Units**” means REIT Units, Series B of Dundee REIT, each representing an undivided beneficial interest in any distributions from Dundee REIT;

“**SEDAR**” means the System for Electronic Documents Analysis and Retrieval;

“**Subsidiary**” has the meaning given to that term in NI 45-106;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time, and the *Income Tax Regulations* (Canada), as amended from time to time, as applicable;

“**Trust Indenture**” has the meaning given to that term under “Description of Debt Securities”;

“**TSX**” means the Toronto Stock Exchange;

“**Unit Interest Payment Option**” means the right of Dundee REIT to elect to issue and deliver freely tradeable Units to the Trustee in order to raise funds to satisfy all or any part of its obligations to pay interest on the Convertible Debentures in accordance with the Indenture;

“**Unit Payment Option**” means the right of Dundee REIT to elect to satisfy its obligation to repay, in whole or in part, the principal amount of the Convertible Debentures which are to be redeemed or which have matured by issuing freely-tradeable Units, in whole or in part, to the holders of the Convertible Debentures;

“**Units**” means the REIT A Units of Dundee REIT;

“**U.S.**” or “**United States**” means the United States of America; and

“**Whiterock**” means Whiterock Real Estate Investment Trust.



## **CERTIFICATE OF THE REIT**

Dated: November 19, 2012

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

### **DUNDEE REAL ESTATE INVESTMENT TRUST**

(Signed) MICHAEL J. COOPER  
Chief Executive Officer

(Signed) MARIO BARRAFATO  
Senior Vice President and Chief Financial Officer

On Behalf of the Board of Trustees

(Signed) JOANNE FERSTMAN  
Trustee

(Signed) ROBERT GOODALL  
Trustee

