

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.

This 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.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

May 28, 2012



DUNDEE REAL ESTATE INVESTMENT TRUST

\$324,428,300

9,037,000 REIT Units, Series A

This short form prospectus qualifies the distribution of 9,037,000 REIT Units, Series A ("Units") of Dundee Real Estate Investment Trust ("Dundee REIT"), at a price of \$35.90 per Unit. Of the 9,037,000 Units being offered under this prospectus, 390,000 Units are to be purchased by Dundee Corporation pursuant to the exercise of its pre-emptive right under our Declaration of Trust and 278,600 Units are to be purchased by Michael Cooper, our Vice Chairman and Chief Executive Officer, in each case at the public offering price of \$35.90 per Unit. We will use the net proceeds of this offering to partially fund the acquisition of the Scotia Plaza Complex (as defined in this prospectus) and for general trust purposes. See "Recent Developments" and "Risk Factors".

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". The closing price of the Units on the TSX on May 18, 2012, the last trading day prior to Dundee REIT's announcement of this offering, was \$36.55. We have applied to list the Units on the TSX. Listing will be subject to Dundee REIT fulfilling all of the requirements of the TSX.

PRICE: \$35.90 per Unit

	Price to the Public	Underwriters' Fee ⁽¹⁾	Net Proceeds to Dundee REIT ⁽²⁾
Per Unit.....	\$ 35.90	\$ 1.436	\$ 34.464
Total ⁽³⁾	\$ 324,428,300	\$ 12,017,022	\$ 312,411,278

Notes:

- (1) The Underwriters will not receive any fee in respect of the 390,000 Units to be purchased under this prospectus by Dundee Corporation pursuant to its pre-emptive right under our Declaration of Trust and the 278,600 Units to be purchased under this prospectus by Michael Cooper. See "Plan of Distribution".
- (2) After deducting the Underwriters' fee but before deducting expenses of this offering, estimated to be \$600,000, which will be paid from the proceeds of this offering. Dundee Properties LP will reimburse Dundee REIT for the Underwriters' fee and for the expenses of this offering.
- (3) We have granted the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part for a period of 30 days from the closing of this offering, to purchase up to 1,355,550 additional Units on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the total Price to the Public, Underwriters' Fee and Net Proceeds to Dundee REIT will be \$373,092,545, \$13,963,592 and \$359,128,953, respectively. This prospectus qualifies the grant of the Over-Allotment Option and the issuance of Units on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriters' over-allocation position acquires such Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The price of the Units offered under this prospectus was established by negotiation between us and TD Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Dundee Securities Ltd., Brookfield Financial Corp., Desjardins Securities Inc., HSBC Securities (Canada) Inc. and National Bank Financial Inc. (collectively, the “Underwriters”).

In connection with this offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Units at levels other than those which otherwise might prevail on the open market. **The Underwriters may offer the Units at a price lower than that stated above. See “Plan of Distribution”.**

There are certain risks inherent in an investment in our Units and in our activities. Prospective investors should carefully consider these risk factors before purchasing Units. See “Risk Factors”. In the opinion of Counsel, the Units will, on closing of this offering, be qualified investments under the Tax Act for Plans as set out under, and based upon the assumptions set out under, “Eligibility for Investment”.

A return on an investment in Units is not comparable to the return on 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 the distributions that holders of Units receive. See, for example, “Risk Factors” in this short form 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. That section also describes 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.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued, sold and delivered by us and accepted by the Underwriters in accordance with the conditions of the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on our behalf by Osler, Hoskin & Harcourt LLP, with respect to securities and other matters, and Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP, with respect to tax matters, and on behalf of the Underwriters by Torys LLP.

Subscriptions will be received subject to rejection or allotment in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. It is anticipated that definitive certificates representing the Units will be available for delivery at closing, which is expected to occur on or about June 12, 2012, or such other date as we and the Underwriters may agree, but in any event no later than June 19, 2012.

<u>Underwriters’ Position</u>	<u>Maximum number of securities held</u>	<u>Exercise period/ acquisition date</u>	<u>Exercise price or average acquisition price</u>
Over-Allotment Option.....	1,355,550	30 days from closing of this offering	\$35.90 per Unit
Compensation option	N/A	N/A	N/A
Any other option granted by issuer or insider of issuer	N/A	N/A	N/A
Total securities under option.....	1,355,550	30 days from closing of this offering	\$35.90 per Unit
Other compensation securities	N/A	N/A	N/A

We will use the net proceeds of this offering to partially fund the acquisition of the Scotia Plaza Complex and for general trust purposes. Scotia Capital Inc. is a subsidiary of a Canadian chartered bank (“Scotiabank”) that is the anchor tenant of the Scotia Plaza Complex. Scotiabank occupies approximately 61% of the rentable area of the Scotia Plaza Complex and represents approximately 61% of its gross rent. Scotiabank is also the seller of the Scotia Plaza Complex. **As a result, we may be a connected issuer of Scotia Capital Inc. under applicable Canadian securities legislation.** TD Securities Inc. is a subsidiary of a Canadian chartered bank that is the administrative agent or lender to us under certain of our existing credit facilities. Those credit facilities were not obtained in connection with the acquisition of the Scotia Plaza Complex. However, we may draw on those credit facilities in order to fund a portion of the remaining purchase price for such acquisition. **As a result, we may be a connected issuer of TD Securities Inc. under applicable Canadian securities legislation.** Additionally, one of the Underwriters, Dundee Securities Ltd., is a related issuer of our asset manager, Dundee Realty Corporation. **As a result, we are a connected issuer of Dundee Securities Ltd. under applicable Canadian securities legislation.** See “Recent Developments”, “Use of Proceeds” and “Plan of Distribution”.

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TABLE OF CONTENTS

	Page		Page
DOCUMENTS INCORPORATED BY REFERENCE.....	4	MARKET FOR SECURITIES	18
FORWARD-LOOKING INFORMATION	5	RISK FACTORS	21
TERMS USED TO DESCRIBE DUNDEE REIT AND ITS ACTIVITIES	5	LEGAL MATTERS.....	21
MARKET AND INDUSTRY DATA.....	5	AUDITORS, REGISTRAR AND TRANSFER AGENT.....	21
DUNDEE REIT	6	PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	21
RECENT DEVELOPMENTS	6	AUDITOR'S CONSENT.....	23
CONSOLIDATED CAPITALIZATION.....	9	AUDITOR'S CONSENT.....	24
PLAN OF DISTRIBUTION.....	9	AUDITORS' CONSENT.....	25
USE OF PROCEEDS	12	GLOSSARY OF TERMS	26
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	12	CERTIFICATE OF DUNDEE REIT	C-1
ELIGIBILITY FOR INVESTMENT.....	17	CERTIFICATE OF UNDERWRITERS.....	C-2
PRIOR SALES	17		

All dollar amounts set forth in this short form prospectus are in Canadian dollars, except where otherwise indicated.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the various securities commissions or similar authorities in the provinces of Canada, are specifically incorporated by reference into and form an integral part of this short form 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 and 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 March 31, 2012 and for the three-month period ended March 31, 2012, together with the notes thereto;
- (e) the 2011 MD&A;
- (f) the 2012 Q1 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 business acquisition report of Dundee REIT dated August 15, 2011; and
- (k) 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 and any material change reports (excluding confidential material change reports, if any) filed by Dundee REIT with the provincial securities commissions or similar authorities in Canada after the date of this short form prospectus and prior to the termination of this offering shall be deemed to be incorporated by reference into and form an integral part of this short form 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 short form 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 short form prospectus.

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 short form 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. Information relating to the Scotia Plaza Complex assumes that we will complete the acquisition of the Scotia Plaza Complex on the terms and conditions set out in the various purchase agreements relating to such transaction. See the material change report of Dundee REIT dated May 28, 2012.

All forward-looking information in this short form 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. These filings are also available on our website at www.dundeereit.com.

TERMS USED TO DESCRIBE DUNDEE REIT AND ITS ACTIVITIES

Dundee REIT’s 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 activities 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 activities”, we are referring to the activities 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 Dundee REIT’s ownership of and investment in our properties indirectly through Dundee Properties LP. When we use expressions such as “we operate” in relation to the operations of Dundee REIT, we are referring to Dundee REIT’s operation through its indirect interest in Dundee Properties LP.

References in this prospectus to the acquisition of the Scotia Plaza Complex are to the acquisition of Dundee REIT’s two-thirds interest in the Scotia Plaza Complex, unless the context otherwise requires.

MARKET AND INDUSTRY DATA

Certain market information has been obtained from the CB Richard Ellis MarketView, First 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. Neither we nor the Underwriters have 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 as well as industrial and prestige industrial properties. Our assets are predominantly located in major urban centres across Canada. At March 31, 2012, our portfolio consisted of approximately 26.1 million square feet of gross leasable area. Through Dundee Management LP, we currently 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 Units and is available on SEDAR at www.sedar.com.

RECENT DEVELOPMENTS

Announcement of Acquisition of the Scotia Plaza Complex

On May 22, 2012, we announced that, together with a partner, H&R Real Estate Investment Trust (“H&R REIT”), we will acquire the Scotia Plaza Complex in downtown Toronto for a total purchase price of approximately \$1.266 billion. Under the arrangements, our subsidiary, Dundee Properties LP, will hold a two-thirds interest and will jointly own the property with H&R REIT, who will hold the remaining one-third interest. Our two-thirds interest in the Scotia Plaza Complex equates to a purchase price of approximately \$844.3 million, or a value of \$640 per square foot.

We and H&R REIT will jointly own and manage the Scotia Plaza Complex pursuant to agreements that will, among other things, provide that all decisions relating to the Scotia Plaza Complex will be made by Dundee Properties LP and H&R REIT unanimously, include mutual rights of first offer that are customary for agreements of this nature and provide that recourse under those agreements will be limited to the parties’ respective interests in the Scotia Plaza Complex, subject to certain exceptions.

Located in the heart of Toronto’s financial district, the Scotia Plaza Complex consists of approximately 2.0 million square feet across four connected buildings, plus long-term concourse leases beneath the properties located at 4 King Street West and 100 Yonge Street:

- **40 King Street West:** landmark 68-storey red granite tower, completed in 1989 and spanning 1,474,380 square feet;
- **44 King Street West:** 26-storey historic property, adjacent to 40 King Street West. The building is 420,971 square feet and has been occupied by Scotiabank since its completion in 1951;
- **104 Yonge Street:** three-storey, 15,718 square foot office building, including retail amenity space;
- **11 Adelaide Street West:** long-term land lease interest in a five-storey, 53,469 square foot office property; and
- **4 King Street West and 100 Yonge Street:** subject to certain rights of the respective landlords, concourse level leasehold interests totalling 12,155 square feet of retail amenity space.

The (i) freehold interests in the properties municipally known as 40 King Street West, 44 King Street West and 104 Yonge Street, (ii) long-term land lease interest in 11 Adelaide Street West, and (iii) subject to certain rights of the respective landlords, concourse level leasehold interests in 4 King Street West and 100 Yonge Street referred to above are collectively referred to in this prospectus as the “**Scotia Plaza Complex**”. References in this prospectus to “**Scotia Plaza**” are only to 40 King Street West.

<u>Building (Net Rentable Area)</u>	<u>Storeys</u>	<u>Office</u>	<u>Retail</u>	<u>Other Premises & Facilities</u>	<u>Total</u>
40 King Street West	68	1,388,223	59,565	26,592	1,474,380
44 King Street West	26	337,308	51,383	32,280	420,971
11 Adelaide Street West	5	37,168	16,301	N/A	53,469
104 Yonge Street	3	10,356	5,362	N/A	15,718
4 King Street West (Concourse Lease)	N/A	N/A	7,793	N/A	7,793
100 Yonge Street (Concourse Lease)	N/A	N/A	4,362	N/A	4,362
Total – Scotia Plaza Complex		<u>1,773,055</u>	<u>144,766</u>	<u>58,872</u>	<u>1,976,693</u>



The Scotia Plaza Complex is connected to the underground PATH network, providing easy access to major downtown office towers, transportation hubs (the King Street subway station and Union Station) and retail amenities. Following the acquisition, the Scotia Plaza Complex will remain the international headquarters for Scotiabank.

The Scotia Plaza Complex has been maintained to high institutional standards, with more than \$100 million invested in building improvements and modernizations over the past ten years. In addition, Scotiabank, as vendor, has committed to complete the final stages of a modernization for 44 King Street West, at its cost, over the next two years.

Scotia Plaza holds the LEED Canada for Existing Buildings: Operations and Maintenance Gold Certification. This certification reflects Scotia Plaza's ongoing commitment to excellence in environmental performance, maximizing operational efficiency and minimizing environmental impacts. At the time of certification, it was the 6th largest building in North America, and the 8th largest commercial office building in the world, to achieve this certification. The LEED standard is highly regarded in the real estate industry and management believes that LEED certified buildings tend to lease faster and at higher rates, and hold their value better over time, than non-LEED certified buildings. We estimate that only 13% of the office inventory in Toronto is LEED certified.

The Scotia Plaza Complex is 99.5% leased to tenants with a weighted average lease term of approximately 10.6 years. The property houses 66 tenants, the four largest being Scotiabank, and three of Canada's major law firms: Borden Ladner Gervais LLP, Cassels Brock & Blackwell LLP and Miller Thomson LLP, which altogether account for approximately 84% of the total gross leaseable area and approximately 84% of the gross rent. In total, Scotiabank will lease approximately 61% of the Scotia Plaza Complex for an average lease term of 13.5 years and account for approximately 61% of its gross rent.

The current weighted average in-place office rent is approximately \$31.45 per square foot, approximately 9.7% below management's estimate of current market rates of \$34.49 per square foot.

We estimate that the capital expenditure and leasing costs related to the Scotia Plaza Complex will be significantly lower than those in our existing portfolio due to the long lease term of the anchor tenant, the significant capital improvements made over the past number of years and the property's history of low vacancy and low tenant turnover.

We will fund our portion of the acquisition of the Scotia Plaza Complex through the net proceeds of this offering, the issuance by special purposes subsidiaries of the first mortgage bonds described below, and drawings on our existing credit facilities, which we anticipate paying down during 2012 with proceeds from long-term mortgage financings and asset dispositions.

Special purpose subsidiaries of Dundee REIT and H&R REIT (the "Bond Issuers") have entered into an agreement to create, issue and sell to Scotia Capital Inc. and TD Securities Inc., on an underwritten bought deal basis, \$650.0 million aggregate principal amount of 7-year first mortgage bonds (the "Mortgage Bonds"), of which our share will be \$433.3 million. The Mortgage Bonds will be secured by a first-ranking charge on the Scotia Plaza Complex and related property and assets with interest to be payable semi-annually in June and December on a 30-year amortization schedule. The interest rate will be a fixed amount per annum, to be determined at least three business days prior to the closing date of the acquisition of the Scotia Plaza Complex. Irrespective of their actual interest rate, the Mortgage Bonds will have an effective interest rate to us that will not exceed 3.45%.

Dundee Properties LP will, directly or indirectly through a wholly-owned subsidiary, own a two-thirds interest in each of the Bond Issuers and H&R REIT will, directly or indirectly through a wholly-owned subsidiary, own a one-third interest in each of the Bond Issuers. Recourse with respect to the Mortgage Bonds will be limited to the Bond Issuers' interest in the Scotia Plaza Complex and related property and assets, subject to certain customary exceptions that will permit recourse to the Bond Issuers, but not to Dundee Properties LP, Dundee REIT or any of our other subsidiaries. Each of the Bond Issuers will be jointly and severally liable for all obligations owing under the Mortgage Bonds and all covenants, obligations and liabilities arising under the Mortgage Bonds and related documents, subject to the limited recourse described above.

The Mortgage Bonds will be issued on the closing date of the acquisition of the Scotia Plaza Complex. The Mortgage Bonds have a provisional A (high) rating with a stable outlook from DBRS Limited.

Following the closing of the acquisition of the Scotia Plaza Complex, our overall debt ratio will be approximately 52.2%, assuming that none of our other indebtedness is repaid. We intend to operate at a target debt level of 52.0%. The following table illustrates certain of our debt profile metrics on a pro forma basis, assuming the completion of this offering (without the exercise of the Over-Allotment Option), the acquisition of the Scotia Plaza Complex, the issuance of our proportional principal amount of the Mortgage Bonds at an effective interest rate to us of 3.45% and the drawings on our existing credit facilities as described above.

Debt profile	March 31, 2012	March 31, 2012 (pro forma) ⁽⁴⁾
Average interest rate ⁽¹⁾	4.89%	4.72%
Level of debt (debt-to-gross book value) ⁽²⁾	51.8%	52.2%
Interest coverage ratio ⁽³⁾	2.7 times	2.7 times
Debt – average term to maturity	4.5 years	4.9 years

(1) Average interest rate is determined to be the stated face rate and, where applicable, hedged rate of debt.

(2) Level of debt (debt-to-gross book value) is determined as total debt, including debt related to equity accounted investments, divided by total assets (including total assets of equity accounted investments and adjusted for accumulated amortization on property and equipment).

(3) Interest coverage ratio for the period, including results from equity accounted investments, is calculated as net rental income plus interest and fee income, less general and administrative expenses, all divided by interest expense on debt.

- (4) Pro forma results have been determined by adjusting the March 31, 2012 consolidated results for acquisitions subsequent to that date, the acquisition of the Scotia Plaza Complex, adjusting results for properties and businesses acquired in the first quarter of 2012 to reflect a full quarter of results and adjusting for any new financing done subsequent to March 31, 2012.

The acquisition of the Scotia Plaza Complex is expected to close on or about June 20, 2012. However, this offering is not conditional on the closing of the acquisition of the Scotia Plaza Complex. See “Risk Factors”. Including the Scotia Plaza Complex, we will own and manage approximately 3.4 million square feet of properties in Toronto’s financial core.

If completed, the acquisition of our proportional interest in the Scotia Plaza Complex would not be a “significant acquisition” with respect to Dundee REIT for the purposes of applicable Canadian securities laws. For more information about the transaction, please see our material change report dated May 28, 2012, which is incorporated by reference into this prospectus.

Other Acquisitions

Details of our acquisitions in the first quarter of 2012 can be found in the 2012 Q1 MD&A. Subsequent to March 31, 2012, we completed the acquisition of 1 Riverside Drive, a 236,000 square foot Class A office building in Windsor, Ontario, for approximately \$35.3 million (excluding transaction costs). The purchase price was funded by drawings on one of our existing credit facilities. At the date of acquisition, April 26, 2012, the property was 80.5% leased and had an average lease term of 9.95 years.

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.

We are identifying assets that no longer fit our business plan and intend to replace them with assets that will better support our long-term growth strategy. We have also initiated an overall strategic review of our industrial portfolio. In addition, we are actively managing our debt and will look for other ways to extract additional value from our portfolio, such as development or redevelopment activities.

CONSOLIDATED CAPITALIZATION

The changes in our consolidated capitalization from April 1, 2012 to May 25, 2012 are as follows:

- Indebtedness decreased by \$124.9 million as a result of (i) \$43.2 million of lump sum and scheduled principal repayments of mortgage financing, (ii) the repayment of \$10.0 million principal amount of 5.95% Series K Debentures, (iii) the conversion of \$0.2 million principal amount of 6.5% Debentures, the conversion of \$0.8 million principal amount of 5.7% Debentures, the conversion of \$0.1 million principal amount of 7.0% Series G Debentures, and the conversion of \$0.2 million principal amount of 6.0% Series F Debentures, and (iv) net repayments of \$96.4 million on revolving credit facilities. Offsetting this decrease was \$26.0 million of new mortgage financing; and
- Unitholders’ equity increased due to (i) the issuance of 6,480 Units as a result of the conversion of \$0.2 million principal amount of 6.5% Debentures, the issuance of 27,631 Units as a result of the conversion of \$0.8 million principal amount of 5.7% Debentures, the issuance of 4,028 Units as a result of the conversion of \$0.1 million principal amount of 7.0% Series G Debentures, the issuance of 5,687 Units as a result of the conversion of \$0.2 million principal amount of 6.0% Series F Debentures, and (ii) the issuance of 205,799 Units pursuant to the DRIP.

As a result of the planned issuance of Units under this offering, Unitholders’ equity would increase by approximately \$311.8 million (\$358.5 million if the Over-Allotment Option is exercised in full). As a result of the acquisition of the Scotia Plaza Complex, which is to be funded in part by the planned issuance of the Mortgage Bonds and drawings on our existing credit facilities, our indebtedness would increase by approximately \$538.3 million.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement between the Underwriters and us, we have agreed to sell and the Underwriters have severally agreed to purchase, subject to the terms and conditions contained in the Underwriting Agreement, on June 12, 2012 or on such other date as may be agreed between Dundee REIT and the Underwriters but, in any event, not later than

June 19, 2012, a total of 9,037,000 Units at a price of \$35.90 per Unit, payable in cash to Dundee REIT against delivery. The Underwriting Agreement provides that we will pay to the Underwriters an aggregate fee of \$12,017,022 in respect of all of the Units offered or \$1.436 per Unit in consideration of their services in connection with this offering. The Underwriters will not receive any fee in respect of the 390,000 Units to be purchased under this prospectus by Dundee Corporation pursuant to its pre-emptive right under our Declaration of Trust and the 278,600 Units to be purchased by Michael Cooper, our Vice Chairman and Chief Executive Officer.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated on the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of such Units are purchased under the Underwriting Agreement.

We have granted to the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part for a period of 30 days from the closing of this offering, to purchase up to 1,355,550 additional Units on the same terms as set out above solely to cover over-allotments, if any. We have agreed to pay to the Underwriters a fee of \$1.436 per Unit with respect to Units issued under the Over-Allotment Option. This prospectus qualifies the grant of the Over-Allotment Option and the issuance of Units on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriters over-allocation position acquires such Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

This offering is being made in each of the provinces of Canada. The Units have not and will not be registered under the 1933 Act or any state securities laws and, subject to certain exceptions, may not be offered or sold in the United States. The Underwriters have agreed that they will not offer or sell the Units within the United States of America, its territories, its possessions and other areas subject to its jurisdiction, except, in accordance with the Underwriting Agreement, pursuant to an exemption from the registration requirements of the 1933 Act provided by Rule 144A thereunder and/or to a limited number of institutional "accredited investors" (as defined in Rule 501(a)(1),(2),(3) or (7) of Regulation D under the 1933 Act) in transactions that are exempt from the registration requirements under the 1933 Act, and, in each case, in compliance with applicable state securities laws. This prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the Units in the United States. In addition, until 40 days after the commencement of the offering of the Units pursuant to this prospectus, an offer or sale of Units within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the 1933 Act if such offer is made otherwise than in compliance with Rule 144A.

We have agreed to indemnify the Underwriters and their directors, officers and employees against certain liabilities pursuant to the Underwriting Agreement, including liabilities under Canadian securities legislation.

We have agreed that we will not, directly or indirectly, without the prior written consent of TD Securities Inc., on behalf of the Underwriters, issue, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any equity securities or any securities convertible into, or exchangeable or exercisable for equity securities, for a period commencing on the date of the Underwriting Agreement and ending on the date that is 90 days after the closing of this offering, except (i) pursuant to the exercise of convertible or exchangeable securities, options or warrants to purchase units which are outstanding on the date hereof or have been issued with the consent of TD Securities Inc.; (ii) as full or partial consideration for arm's length acquisitions of assets or shares; (iii) units issued pursuant to our DRIP or Deferred Unit Incentive Plan; and (iv) units issued pursuant to the DRIP like arrangements in the Dundee Properties LP limited partnership agreement.

We have applied to list the Units on the TSX. Listing will be subject to Dundee REIT fulfilling all of the requirements of the TSX.

GE Canada Real Estate Equity has waived its pre-emptive right under our Declaration of Trust in connection with this offering and Dundee Corporation has exercised its pre-emptive right under our Declaration of Trust in connection with this offering, and in accordance with its notice of exercise, will purchase 390,000 Units under this prospectus at the offering price. Michael Cooper, our Vice Chairman and Chief Executive Officer, will purchase 278,600 Units under this prospectus at the offering price.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The Underwriters propose to offer the Units initially at the offering price specified on the cover page of this prospectus. After the Underwriters have made a reasonable effort to sell all of the Units at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on

the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the price paid by the Underwriters to Dundee REIT.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Units other than pursuant to the Underwriting Agreement. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities.

In connection with this offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Units offered hereby at levels other than those which otherwise might prevail on the open market, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids; and
- syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of Units while this offering is in progress. These transactions may also include making short sales of Units, which involve the sale by the Underwriters of a greater number of Units than they are required to purchase in this offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the Over-Allotment Option, or may be “naked short sales”, which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Units in the open market. In making this determination, the Underwriters will consider, among other things, the price of Units available for purchase in the open market compared to the price at which they may purchase Units through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Units in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Units in the open market that could adversely affect investors who purchase in this offering. Any naked short position would form part of the Underwriters’ over-allocation position.

As a result of these activities, the price of the Units offered hereby may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSX, in the over-the-counter market or otherwise.

We will use the net proceeds of this offering to partially fund the acquisition of the Scotia Plaza Complex and for general trust purposes. Scotia Capital Inc. is a subsidiary of Scotiabank, which is the anchor tenant of the Scotia Plaza Complex. Scotiabank occupies approximately 61% of the rentable area of the Scotia Plaza Complex and represents approximately 61% of its gross rent. Scotiabank is also the seller of the Scotia Plaza Complex. As a result, we may be a connected issuer of Scotia Capital Inc. under applicable Canadian securities legislation. TD Securities Inc. is a subsidiary of a Canadian chartered bank (the “Bank Parent”) that is the administrative agent or lender to us under certain of our existing credit facilities. Those credit facilities were not obtained in connection with the acquisition of the Scotia Plaza Complex. However, we may draw on those credit facilities in order to fund a portion of the remaining purchase price for such acquisition. As a result, we may be a connected issuer of TD Securities Inc. under applicable Canadian securities legislation. See “Recent Developments” and “Use of Proceeds”.

We made the decision to offer the Units under this prospectus, and the terms of the offering of the Units were negotiated at arm’s-length between TD Securities Inc., Scotia Capital Inc. and us. The Underwriters participated in the drafting of this prospectus, the negotiation of the pricing of the Units and the due diligence process in respect of this offering. The decision of TD Securities Inc. to act as an underwriter for this offering was not influenced by the Bank Parent and the decision of Scotia Capital Inc. to act as an underwriter for this offering was not influenced by Scotiabank, and neither the Bank Parent nor Scotiabank had any involvement in determining whether and when to distribute the Units under this offering or the terms of this offering. Scotiabank is aware of this offering and the terms thereof through its involvement as the seller of the Scotia Plaza Complex. The net proceeds of this offering may be indirectly received by Scotiabank or its affiliate as the

seller of the Scotia Plaza Complex. Each of TD Securities Inc. and Scotia Capital Inc. will receive its proportionate share of the underwriters' fee payable to the Underwriters.

One of the Underwriters, Dundee Securities Ltd., is a related issuer of our asset manager, Dundee Realty Corporation. As a result, we are a connected issuer to Dundee Securities Ltd. for the purposes of applicable Canadian securities legislation. The terms of the offering of the Units were negotiated at arm's-length between TD Securities Inc., Scotia Capital Inc. and us, as referred to above. The Underwriters' involvement in the offering is also outlined above. Dundee Securities Ltd. will receive its proportionate share of the underwriters' fee payable to the Underwriters.

In order for Dundee REIT to maintain its status as a mutual fund trust as defined in the Tax Act, it must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. The Declaration of Trust provides constraints on the ownership of our units for this purpose. See "Declaration of Trust and Description of REIT Units — Limitation on Non-Resident Ownership" in our latest annual information form. We monitor ownership of our Units which are held by non-residents by periodically obtaining and reviewing unit ownership reports from our transfer agent or other service providers.

USE OF PROCEEDS

The net proceeds from the sale of Units under this short form prospectus are estimated to be approximately \$311.8 million (\$358.5 million if the Over-Allotment Option is exercised in full) after deduction of the Underwriters' fee and the estimated expenses of this offering. The Underwriters' fee and the expenses of this offering will be paid out of the proceeds of this offering. We will use the net proceeds of this offering to partially fund the acquisition of the Scotia Plaza Complex and for general trust purposes. The completion of this offering is not conditional on the closing of the acquisition of the Scotia Plaza Complex. While we believe that the conditions of closing of such acquisition are likely to be satisfied, there can be no assurance that this will be the case. If such acquisition were to not close for any reason, the proceeds of this offering would be used for general trust purposes. See "Risk Factors".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP and special tax counsel to Dundee REIT, and Torys LLP, counsel to the Underwriters (together, the "Counsel"), the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of Units by a holder who acquires such Units pursuant to this offering. This summary is applicable to a holder who at all relevant times, for purposes of the Tax Act, deals at arm's length and is not affiliated with Dundee REIT and its Affiliates and holds the Units as capital property (in this section, a "Unitholder"). Generally, the Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Unitholders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Unitholder: (i) that is a "financial institution" for purposes of the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) that has elected to determine its Canadian tax results in accordance with a "functional currency"; or (iv) an interest in which is a "tax shelter investment", as each term is defined in the Tax Act. Such Unitholders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units acquired pursuant to this offering. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Units under this offering.

This summary is based upon the provisions of the Tax Act and the regulations thereunder (the "Regulations"), a certificate as to certain factual matters from an officer of Dundee REIT, and Counsel's understanding, based on publicly available published materials, of the administrative policies and assessing practices of the CRA, all in effect as of the date of this prospectus. This summary takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by or on behalf of the Minister prior to the date of this prospectus (the "Tax Proposals"). Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in CRA's administrative policies and assessing practices, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. There can be no assurances that CRA will not change its administrative policies and assessing practices.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the Unitholder's particular circumstances. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective investor of Units. Consequently, a prospective investor should consult the investor's own tax advisor for advice with respect to the tax consequences of an investment in Units based on the prospective investor's particular circumstances.

Status of Dundee REIT

Qualification as a "Mutual Fund Trust"

Based on representations as to certain factual matters from an officer of Dundee REIT, Dundee REIT qualifies as a "mutual fund trust" as defined in the Tax Act, and is expected to continue to qualify at all times as a "mutual fund trust" under the provisions of the Tax Act. This summary assumes this to be the case.

To qualify as a mutual fund trust, Dundee REIT, among other things, must be a "unit trust" as defined by the Tax Act, must not be established or maintained primarily for the benefit of non-residents, and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable), (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property or of any immovable or real right in immovables) that is capital property of Dundee REIT, or (iii) any combination of the activities described in (i) and (ii), and Dundee REIT must comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of its Units.

If Dundee REIT were not to qualify as a mutual fund trust at any particular time, the income tax considerations described below would, in some respects, be materially different.

Qualification as a "Real Estate Investment Trust"

SIFT Legislation

The SIFT Legislation effectively taxes certain income of a publicly-traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. These rules apply only to "SIFT trusts", "SIFT partnerships" (each as defined in the Tax Act) and their investors.

A trust resident in Canada will generally be a SIFT trust for a particular taxation year for purposes of the Tax Act if, at any time during the taxation year, investments in the trust are listed or traded on a stock exchange or other public market and the trust holds one or more "non-portfolio properties" (as defined in the Tax Act). Non-portfolio properties generally include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections to Canada. However, a trust will not be considered a SIFT trust for a taxation year if it qualifies as a "real estate investment trust" (as defined in the Tax Act) for that year (the "REIT Exception") (discussed below).

Where the SIFT Legislation applies, distributions of a SIFT trust's "non-portfolio earnings" are not deductible in computing the SIFT trust's net income. Non-portfolio earnings are generally defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and taxable capital gains from the disposition of, non-portfolio properties. The SIFT trust is itself liable to pay income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust are generally deemed to be taxable dividends received by such holder from a taxable Canadian corporation. Such deemed dividends will qualify as "eligible dividends" for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada. Distributions that are paid as returns of capital will generally not attract the tax under the SIFT Legislation.

REIT Exception

A trust that satisfies the REIT Exception is excluded from the definition of a SIFT trust in the Tax Act and is therefore not subject to the SIFT Legislation. On December 16, 2010, Tax Proposals were released for public comment with respect to the rules to qualify for the REIT Exception. If enacted as proposed, the amendments, which are generally relieving in nature, will be effective for the 2011 and subsequent taxation years and also on an elective basis for earlier taxation years.

Assuming that the Tax Proposals are enacted as proposed, the following five criteria must be met in order for a trust to qualify for the REIT Exception in a year subsequent to 2010, as well as prior to 2011 if the trust elects in the prescribed manner and within the prescribed time:

- (i) at each time in the taxation year, the total fair market value at that time of all “non-portfolio properties” that are “qualified REIT properties” held by the trust must be at least 90% of the total fair market value at that time of all non-portfolio properties held by the trust;
- (ii) not less than 90% of the trust’s “gross REIT revenue” for the taxation year must be from one or more of the following: “rent from real or immovable properties”, interest, capital gains from the disposition of “real or immovable properties”, dividends, royalties and gains from dispositions of “eligible resale properties”;
- (iii) not less than 75% of the trust’s gross REIT revenue for the taxation year must be from one or more of the following: rent from real or immovable properties, interest from mortgages, or hypothecs, on real or immovable properties, and capital gains from dispositions of real or immovable properties;
- (iv) at each time in the taxation year an amount that is equal to 75% or more of the equity value of the trust at that time, is the amount that is the total fair market value of all properties held by the trust each of which is real or immovable properties, cash, deposits (within the meaning of the *Canada Deposit Insurance Corporation Act* or with a branch in Canada of a bank or a credit union), indebtedness of a Canadian corporation represented by a banker’s acceptance, and debt issued or guaranteed by the Canadian government or issued by a province, municipal government or certain other qualifying public institutions; and
- (v) investments in the trust must be, at any time in the taxation year, listed or traded on a stock exchange or other public market.

The SIFT Legislation contains specific rules under which a trust could qualify for the REIT Exception where it holds its real properties indirectly through intermediate entities, provided that, other than with respect to the listing or trading requirement, each such entity, assuming it were a trust, would satisfy the REIT Exception.

The REIT Exception in the SIFT Legislation contains a number of technical tests and the determination as to whether Dundee REIT qualifies for the REIT Exception in any particular taxation year can only be made at the end of that taxation year. Based on representations as to certain factual matters from an officer of Dundee REIT, Dundee REIT has, at all times since December 31, 2007, qualified for the REIT Exception under the SIFT Legislation as currently enacted and management of Dundee REIT has advised Counsel that Dundee REIT has qualified, and expects to continue to qualify under the REIT Exception, as proposed to be amended, throughout 2011 and subsequent taxation years and that each direct or indirect Subsidiary of Dundee REIT qualifies, and is expected to continue to qualify as an “excluded subsidiary entity” as defined in the Tax Act throughout 2012 and subsequent taxation years. The balance of this summary assumes this to be the case. If Dundee REIT does not so qualify or ceases to qualify as a real estate investment trust under the REIT Exception, or each direct or indirect Subsidiary of Dundee REIT were not to qualify as an excluded subsidiary entity, the income tax considerations described below would, in some respects, be materially different.

Taxation of Dundee REIT

The taxation year of Dundee REIT is the calendar year. In addition, Dundee REIT had a taxation year end on March 2, 2012 as a consequence of the acquisition of Whiterock. In each taxation year, Dundee REIT will generally be subject to tax under Part I of the Tax Act on its income for the year, including net taxable capital gains for that year and its allocated share of the income from its underlying partnerships for the fiscal period of such underlying partnerships ending in, or coinciding with the year end of Dundee REIT, less the portion thereof that it deducts in respect of the amounts paid or payable, or deemed to be paid or payable, to Unitholders in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by Dundee REIT or if the Unitholder is entitled in that year to enforce payment of the amount.

In computing its income for purposes of the Tax Act, Dundee REIT may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income. Dundee REIT may also deduct from its income for the year a portion of any reasonable expenses incurred by Dundee REIT to issue Units. The portion of such issue expenses deductible by Dundee REIT in a taxation year is 20% of such issue expenses, pro-rated where Dundee REIT’s taxation year is less than 365 days.

Having regard to the present intention of Dundee REIT’s trustees, Dundee REIT makes distributions in each year to Unitholders in an amount sufficient to ensure that Dundee REIT will generally not be liable for tax under Part I of the Tax Act in any year (after taking into account any applicable tax refunds to Dundee REIT). Where income of Dundee REIT in a taxation year exceeds the total cash distributions for that year, such excess income may be distributed to Unitholders in the

form of additional Units. Income of Dundee REIT payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by Dundee REIT in computing its taxable income.

An *in specie* redemption of any Subsidiary Securities and the transfer by Dundee REIT of Subsidiary Securities to redeeming Unitholders will each be treated as a disposition by Dundee REIT of such Subsidiary Securities for proceeds of disposition equal to the fair market value thereof. Dundee REIT will realize a capital gain (or a capital loss) to the extent that the proceeds from these dispositions exceed (or are less than) the adjusted cost base of the Subsidiary Securities, as the case may be, and any reasonable costs of disposition.

Losses incurred by Dundee REIT cannot be allocated to Unitholders, but can be deducted by Dundee REIT in future years in computing its taxable income, in accordance with the Tax Act. In the event Dundee REIT would otherwise be liable for tax on its net taxable capital gains realized by Dundee REIT for a taxation year, it will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for such tax by an amount determined under the Tax Act based on the redemption of units of Dundee REIT during the year (the “capital gains refund”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset Dundee REIT’s tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units and the related *in specie* redemption by Dundee REIT of any Subsidiary Securities. The Declaration of Trust provides that all or a portion of any capital gain or income realized by Dundee REIT in connection with such redemptions may, at the discretion of the trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming Unitholder. Such income or the taxable portion of any capital gain so designated must be included in the income of the redeeming Unitholders (as income or taxable capital gains) and will be deductible by Dundee REIT in computing its income.

Taxation of Unitholders Resident in Canada

This portion of the summary is generally applicable to a Unitholder who at all relevant times, for the purposes of the Tax Act, is or is deemed to be resident in Canada. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Units, and any other “Canadian security” (as defined in the Tax Act) owned in the taxation year in which the election is made and in subsequent taxation years, deemed to be capital property.

Trust Distributions

A Unitholder is generally required to include in computing income for a particular taxation year the portion of the net income of Dundee REIT for the taxation year of Dundee REIT ending on or before the particular taxation year end of the Unitholder, including net taxable capital gains (determined for the purposes of the Tax Act), that is paid or payable, or deemed to be paid or payable, to the Unitholder in the particular taxation year, whether or not those amounts are received in cash, additional Units or otherwise.

The non-taxable portion of any net capital gains of Dundee REIT that is paid or payable, or deemed to be paid or payable, to a Unitholder in a taxation year will not be included in computing the Unitholder’s income for the year. Any other amount in excess of the net income and net taxable capital gains of Dundee REIT that is paid or payable, or deemed to be paid or payable, by Dundee REIT to a Unitholder in a taxation year, including the further bonus distribution reinvested in Units under the DRIP, will not generally be included in the Unitholder’s income for the year. A Unitholder will be required to reduce the adjusted cost base of its Units by the portion of any amount (other than proceeds of disposition in respect of the redemption of Units and the non-taxable portion of net capital gains) paid or payable to such Unitholder that was not included in computing the Unitholder’s income and will realize a capital gain to the extent that the adjusted cost base of the Unitholder’s Units would otherwise be a negative amount.

Provided that appropriate designations are made by Dundee REIT, such portions of the net taxable capital gains, taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations and foreign source income as are paid or payable, or deemed to be paid or payable, by Dundee REIT to the Unitholders will effectively retain their character and be treated and taxed as such in the hands of the Unitholders for purposes of the Tax Act, and Unitholders may be entitled to claim a foreign tax credit for foreign taxes paid by Dundee REIT. To the extent that amounts are designated as having been paid to Unitholders out of the net taxable capital gains of Dundee REIT, such designated amounts will be deemed for tax purposes to be received by Unitholders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains described below. To the extent that amounts are designated as having been paid to Unitholders out of taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations, they will be subject to the normal gross-up and dividend tax credit provisions in respect of Unitholders who are individuals, to the refundable tax under Part IV of the Tax Act in respect of Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), and to the deduction in computing taxable income in respect of Unitholders that are

corporations. A Unitholder that is a Canadian-controlled private corporation (as defined in the Tax Act) throughout its taxation year may also be liable to pay an additional refundable tax on certain investment income, including taxable capital gains. Unitholders should consult their own tax advisors for advice with respect to the potential application of these provisions.

Certain taxable dividends received by individuals from a corporation resident in Canada will be eligible for the enhanced dividend tax credit to the extent certain conditions are met and designations are made, such as the dividend being sourced out of income that is subject to tax at the general corporate tax rate. This may apply to distributions made by Dundee REIT to the Unitholders that have as their sources eligible dividends received from a corporation resident in Canada, to the extent Dundee REIT makes the appropriate designation to have such eligible dividends deemed received by the Unitholder and provided that the corporate dividend payer makes the required designation to treat such taxable dividends as eligible dividends.

Dispositions of Units

On the disposition or deemed disposition of a Unit by a Unitholder, whether on redemption or otherwise, the Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Unitholder's adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by Dundee REIT that is otherwise required to be included in the Unitholder's income (such as an amount designated as payable by Dundee REIT to a redeeming Unitholder out of capital gains or income of Dundee REIT as described above).

For the purpose of determining the adjusted cost base to a Unitholder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that acquisition. The adjusted cost base of a Unit to a Unitholder will include all amounts paid by the Unitholder for the Unit, with certain adjustments. The cost to a Unitholder of Units received in lieu of a cash distribution of income of Dundee REIT will be equal to the amount of such distribution that is satisfied by the issuance of such Units. The cost of Units acquired on the reinvestment of distributions under the DRIP will be the amount of such investment. There will be no net increase or decrease in the aggregate adjusted cost base of all of a Unitholder's Units as a result of the receipt of the further bonus distribution reinvested in Units under the DRIP; however, the adjusted cost base per Unit will be reduced.

Where the redemption price for Units is paid and satisfied by way of a distribution *in specie* to the Unitholders of Subsidiary Securities, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the property so distributed less any income or capital gain realized by Dundee REIT as a result of the redemption of those Units to the extent such income or capital gain is designated by Dundee REIT to the redeeming Unitholder. Where income or capital gain realized by Dundee REIT as a result of the redemption of Units has been so designated by Dundee REIT, the Unitholder will be required to include in computing the Unitholder's income for tax purposes, the income and the taxable portion of the capital gain so designated. The cost of any Subsidiary Security distributed by Dundee REIT to a Unitholder upon a redemption of Units will generally be equal to the fair market value of such Subsidiary Security at the time of distribution.

Taxation of Capital Gains

One-half of any capital gains realized by a Unitholder and the amount of any net taxable capital gains designated by Dundee REIT in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One-half of any capital loss realized by a Unitholder on a disposition, or deemed disposition of Units, may generally be deducted only from taxable capital gains of the Unitholder in the year of disposition, in the three preceding taxation years or in any subsequent taxation years, to the extent and under the circumstances described in the Tax Act.

Where a Unitholder that is a corporation or a trust (other than a mutual fund trust) disposes of a Unit, the Unitholder's capital loss from the disposition will generally be reduced by the amount of any dividends received by Dundee REIT previously designated by Dundee REIT to the Unitholder, to the extent and under the circumstances prescribed in the Tax Act. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units.

Alternative Minimum Tax

In general terms, net income of Dundee REIT, paid or payable, or deemed to be paid or payable, to a Unitholder who is an individual or trust (other than certain specified trusts), and that is designated as taxable dividends or as net taxable capital gains, and capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

Taxation of Unitholders Not Resident in Canada

This portion of the summary is generally applicable to a Unitholder who at all relevant times, for the purpose of the Tax Act, is not and is not deemed to be, resident in Canada, does not use or hold the Units in a business carried on in Canada and is not an insurer that carries on business in Canada and elsewhere (a “Non-Resident Unitholder”).

Distributions on Units

A Non-Resident Unitholder will be subject to Canadian withholding tax at the rate of 25% on any income and capital gains distributions (including income and capital gains distributions in respect of the redemption of Units) paid or credited, or deemed to be paid or credited, in respect of a Unit by Dundee REIT to the Non-Resident Unitholder, whether such distributions are paid in cash or Units, and at the rate of 15% on any other distributions paid or credited, or deemed to be paid or credited, in respect of a Unit by Dundee REIT to the Non-Resident Unitholder. The 25% rate of withholding tax referred to above is subject to reduction pursuant to the provisions of an applicable tax convention. For example, the reduced rate under the Canada-U.S. tax convention is generally 15%.

Dundee REIT withholds such taxes as required by the Tax Act and remits such payments to the CRA on behalf of the Non-Resident Unitholder. **Non-Resident Unitholders should consult with their own tax advisors with regard to the availability of any applicable foreign tax credits in respect of any Canadian withholding taxes.**

Disposition of Units

A Non-Resident Unitholder will not be subject to tax under the Tax Act on any capital gain realized on the disposition, or deemed disposition, whether on redemption or otherwise, of Units unless the Units are taxable Canadian property to the Non-Resident Unitholder. The Units will not be taxable Canadian property to a Non-Resident Unitholder if the Non-Resident Unitholder, persons with whom the Non-Resident Unitholder does not deal at arm’s length (within the meaning of the Tax Act), or the Non-Resident Unitholder together with such persons, do not own 25% or more of the issued units of Dundee REIT at any time during the 60 month period immediately preceding the disposition.

ELIGIBILITY FOR INVESTMENT

Units

In the opinion of Counsel, based on representations of Dundee REIT as to certain factual matters and subject to the qualifications and assumptions given under the heading “Certain Canadian Federal Income Tax Considerations”, Units will be qualified investments under the Tax Act for Plans. If Dundee REIT ceases to qualify as a mutual fund trust and as a registered investment under the Tax Act and the Units cease to be listed on a designated stock exchange (which includes the TSX), the Units will not be qualified investments under the Tax Act for Plans. Subsidiary Securities received as a result of a redemption *in specie* of Units may not be qualified investments for Plans, and this may give rise to adverse consequences to such Plan or the holder of or the annuitant or beneficiary under that Plan. Accordingly, Plans that own Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

The Units will not be a “prohibited investment” (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF provided the holder of the TFSA or the annuitant under the RRSP or RRIF, as the case may be, deals at arm’s length with Dundee REIT for purposes of the Tax Act and does not have a significant interest (as defined in the Tax Act for the purposes of the prohibited investment rules) in Dundee REIT or in any person or partnership with which Dundee REIT does not deal at arm’s length for purposes of the Tax Act. Individuals who hold or intend to hold Units in a TFSA, RRSP or RRIF should consult their own tax advisors regarding the potential application of the prohibited investment rules to their particular circumstances.

PRIOR SALES

All information in this section is provided as of May 25, 2012.

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 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.

On August 15, 2011, Dundee REIT completed a bought deal public offering of Units at a price of \$32.40 per Unit, resulting in a total of 5,037,000 Units being issued for gross proceeds of \$163,198,800.

On June 14, 2011, Dundee REIT completed a bought deal public offering of Units at a price of \$33.30 per Unit, resulting in a total of 4,660,000 Units being issued for gross proceeds of \$155,178,000. On June 29, 2011, Dundee REIT issued another 699,000 Units at \$33.30 per Unit upon the exercise of the over-allotment option granted to the Underwriters for proceeds of \$23,276,700.

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 Class B Units, Series 1 may elect to reinvest the monthly distributions on their LP Class B Units, Series 1 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 930,622 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 25,599 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 30,640 Units upon the conversion of 6.5% Debentures, 49,694 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 234,521 Units have been issued by Dundee REIT in respect of these convertible Debentures.

Holders of LP Class B Units, Series 1 of Dundee Properties LP have the right to exchange such units for REIT Units, Series B on a one-for-one basis. Each REIT Unit, Series B is convertible at any time at the option of the holder into one fully-paid and non-assessable Unit. During the 12-month period before the date of this prospectus, no LP Class B Units, Series 1 were exchanged for REIT Units, Series B.

MARKET FOR SECURITIES

Trading Price and Volume

The REIT Units, Series A 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 REIT Units, Series A on the TSX for each month of the 12-month period before the date of this prospectus:

Period	High (\$)	Low (\$)	Volume
May 2011	34.87	32.90	2,259,972
June 2011	33.45	31.64	1,559,427
July 2011	33.85	32.03	1,898,711
August 2011	32.42	27.90	4,312,204
September 2011	32.30	30.76	3,982,617
October 2011	33.24	29.10	2,392,551

Period	High (\$)	Low (\$)	Volume
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
Up to May 25, 2012	37.94	35.90	3,315,190

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 of the 12-month period before the date of this prospectus:

Period	High (\$)	Low (\$)	Volume
May 2011	135.80	133.00	690
June 2011	132.97	127.55	580
July 2011	130.14	128.39	810
August 2011	123.83	123.83	50
September 2011	127.44	125.17	100
October 2011	—	—	—
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
Up to May 25, 2012	150.00	143.49	220

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 of the 12-month period before the date of this prospectus:

Period	High (\$)	Low (\$)	Volume
May 2011	112.25	110.37	580
June 2011	109.99	105.79	670
July 2011	109.60	108.70	400
August 2011	106.73	100.00	1,020
September 2011	106.00	103.83	500
October 2011	110.00	101.00	1,300
November 2011	110.20	109.58	270
December 2011	109.43	108.50	1,500
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
Up to May 25, 2012	125.95	121.95	1,010

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 of the 12-month period before the date of this prospectus:

Period	High (\$)	Low (\$)	Volume
May 2011	104.50	102.30	6,160
June 2011	104.01	103.05	3,840
July 2011	104.00	102.80	6,080
August 2011	103.75	101.75	7,590
September 2011	104.00	102.00	6,650

Period	High (\$)	Low (\$)	Volume
October 2011	103.50	100.00	7,210
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
Up to May 25, 2012	103.50	102.05	20,980

The 6.0% Series F Debentures are listed on the TSX under the symbol “D.DB.F”. 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 of the 12-month period before the date of this prospectus:

Period	High (\$)	Low (\$)	Volume
May 2011	104.56	102.96	3,330
June 2011	102.00	101.25	250
July 2011	101.50	101.25	720
August 2011	100.00	99.50	390
September 2011	100.00	100.00	300
October 2011	102.00	98.00	1,630
November 2011	101.51	100.01	1,360
December 2011	102.05	101.68	530
January 2012	122.99	119.70	3,770
February 2012	122.75	121.06	60,470
March 2012	131.99	123.00	3,140
April 2012	133.33	130.00	910
Up to May 25, 2012	135.35	133.22	230

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 of the 12-month period before the date of this prospectus:

Period	High (\$)	Low (\$)	Volume
May 2011	160.00	155.88	2,440
June 2011	154.40	150.00	2,150
July 2011	151.30	146.70	2,320
August 2011	147.00	130.84	1,250
September 2011	150.00	137.75	6,060
October 2011	146.54	131.26	1,090
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
Up to May 25, 2012	205.42	198.65	510

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 of December 9, 2011 (the date of issuance of the 5.5% Series H Debentures) to May 25, 2012:

Period	High (\$)	Low (\$)	Volume
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

Period	High (\$)	Low (\$)	Volume
March 2012.....	106.49	102.50	30,790
April 2012.....	108.20	104.75	17,680
Up to May 25, 2012.....	109.93	105.50	14,680

RISK FACTORS

An investment in Units 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 before purchasing Units.

Large Asset

We are subject to risks generally incident to the ownership of real property. If the acquisition of the Scotia Plaza Complex is completed, our two-thirds interest in the Scotia Plaza Complex would constitute approximately 12% of the value of our investment properties on a pro forma basis as at March 31, 2012, and would represent approximately 11% of our investment properties revenues on a pro forma basis for the three months ended March 31, 2012. Scotiabank would also become one of our largest single tenants. Scotiabank will lease approximately 61% of the Scotia Plaza Complex for an average lease term of 13.5 years and account for approximately 61% of its gross rent. Accordingly, a significant portion of our operations will be impacted by factors specifically affecting the Scotia Plaza Complex. These factors may differ from those affecting the real estate markets and our properties in other regions of Canada. If the performance of the Scotia Plaza Complex were to decline relative to the performance of our other properties, including due to the inability of any key tenants to pay rent or other amounts owed, this could adversely impact our revenues and results of operations given the size of the Scotia Plaza Complex in relation to the rest of our portfolio. In addition, as leases in the Scotia Plaza Complex come up for renewal, our revenues could be adversely affected if market rental rates are lower than current rates.

Dilution Risk if Scotia Plaza Complex Acquisition is Not Completed

This offering is not conditional on the closing of the acquisition of the Scotia Plaza Complex. If such acquisition were to not close for any reason, we would use the net proceeds of this offering for general trust purposes. To the extent that any of the net proceeds of this offering remain uninvested pending their use, or are used to pay down indebtedness with a low interest rate, this offering may result in substantial dilution, on a per Unit basis, to our net income and other measures used by us.

LEGAL MATTERS

Certain legal matters in connection with the Units offered hereby will be passed upon for us by Osler, Hoskin & Harcourt LLP, with respect to securities and other matters, and Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP, with respect to certain tax matters, and for the Underwriters by Torsys LLP.

The partners and associates of Osler, Hoskin & Harcourt LLP, as a group, Wilson & Partners LLP, as a group, and Torsys LLP, as a group, each beneficially own, directly and indirectly, less than 1% of the outstanding securities of Dundee REIT and its affiliates and associates.

AUDITORS, REGISTRAR AND TRANSFER AGENT

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 OF WITHDRAWAL AND RESCISSION

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 thereto. In several of the provinces, securities legislation further provides the 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 such 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. A 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 advisor.

AUDITOR'S CONSENT

We have read the short form prospectus of Dundee Real Estate Investment Trust ("Dundee REIT") dated June ●, 2012 relating to the issue and sale of REIT Units, Series A 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 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, Ontario
June ●, 2012

AUDITOR'S CONSENT

We have read the short form prospectus of Dundee Real Estate Investment Trust ("Dundee REIT") dated June ●, 2012 relating to the issue and sale of REIT Units, Series A 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 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, Ontario

June ●, 2012

AUDITORS' CONSENT

We have read the short form prospectus of Dundee Real Estate Investment Trust ("Dundee REIT") dated June ●, 2012 qualifying the distribution of REIT Units, Series A 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 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
June ●, 2012

GLOSSARY OF TERMS

When used in this short form prospectus, the following terms have the meanings set forth below unless expressly indicated otherwise.

“1933 Act” means the United States Securities Act of 1933;

“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 Q1 MD&A” means management’s discussion and analysis of the financial condition and results of the operations of Dundee REIT for the three-month period ended March 31, 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;

“5.95% Series K Debentures” means the 5.95% senior unsecured debentures, Series K of Whiterock due April 26, 2016 assumed by Dundee REIT;

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

“6.0% Series F Debentures” means the 6% Redeemable Subordinated Convertible Debentures, Series F of Whiterock due July 15, 2012 assumed by Dundee REIT;

“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” has the meaning ascribed to that term in National Instrument 45-106 — *Prospectus and Registration Exemptions* of the Canadian Securities Administrators;

“CRA” means the Canada Revenue Agency;

“Debentures” means the 6.5% Debentures, the 5.7% Debentures, the 6.0% Debentures, the 6.0% Series F Debentures, the 7.0% Series G Debentures and/or the 5.5% Series H Debentures.

“Declaration of Trust” means the amended and restated declaration of trust of Dundee REIT dated as of 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;

“Deferred Units” means deferred trust units and income deferred trust units under the Deferred Unit Incentive Plan;

“DRIP” means our distribution reinvestment and unit purchase plan pursuant to which holders of Units and REIT Units, Series B 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;

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

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

“**Minister**” means the Minister of Finance (Canada);

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

“**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;

“**Plans**” means trusts governed by RRSPs, RRIFs and deferred profit sharing plans, registered education savings plans, registered disability savings plans and TFSAs under the Tax Act;

“**REIT**” means a real estate investment trust;

“**REIT Exception**” means the exception under the SIFT Legislation applicable to certain real estate investment trusts that satisfy certain specified conditions relating to the nature of their income and investments;

“**REIT Units**” means, collectively, the Units, the REIT Units, Series B and the Special Trust Units;

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

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

“**RRIF**” means a registered retirement income fund;

“**RRSP**” means a registered retirement savings plan;

“**Scotia Plaza**” has the meaning described under “Recent Developments”;

“**Scotia Plaza Complex**” has the meaning described under “Recent Developments”;

“**SIFT**” means a specified investment flow-through trust or partnership for purposes of the Tax Act;

“**SIFT Legislation**” means the provisions of the Tax Act that apply to a SIFT, taking into account all Tax Proposals with respect to such provisions, including the amendments announced on July 20, 2011;

“**Special Trust Units**” means the Special Trust Units of Dundee REIT issued to the holders of LP Class B Units, Series 1 providing rights to vote (and only a nominal economic interest) as a unitholder of Dundee REIT, all of which are currently indirectly held by Dundee Corporation;

“**Subsidiary**” has the meaning ascribed to that term in National Instrument 45-106 — *Prospectus and Registration Exemptions* of the Canadian Securities Administrators;

“**Subsidiary Securities**” means securities of a Subsidiary of Dundee REIT;

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th supplement) as amended;

“**TFSA**” means a tax-free savings account;

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

“**Underwriters**” means TD Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Dundee Securities Ltd., Brookfield Financial Corp., Desjardins Securities Inc., HSBC Securities (Canada) Inc. and National Bank Financial Inc.;

“**Underwriting Agreement**” means the underwriting agreement dated May 28, 2012 between Dundee REIT, Dundee Properties LP and the Underwriters;

“**Unitholders**” means holders of Units, but “**unitholders**”, when used in lower case type, refers to all holders of REIT Units;

“Units” means the REIT Units, Series A of Dundee REIT;

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

“Whiterock” means Whiterock Real Estate Investment Trust.

CERTIFICATE OF DUNDEE REIT

Dated: May 28, 2012

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus 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) DONALD K. CHARTER
Trustee

(Signed) ROBERT G. GOODALL
Trustee

CERTIFICATE OF UNDERWRITERS

Dated: May 28, 2012

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

TD SECURITIES INC.

By: (Signed) ARMEN FARIAN

SCOTIA CAPITAL INC.

By: (Signed) STEPHEN SENDER

CIBC WORLD MARKETS INC.

By: (Signed) MARK G. JOHNSON

RBC DOMINION SECURITIES INC.

By: (Signed) WILLIAM WONG

BMO NESBITT BURNS INC.

By: (Signed) DEREK DERMOTT

CANACCORD GENUITY CORP.

By: (Signed) JUSTIN BOSA

DUNDEE SECURITIES LTD.

By: (Signed) ONORIO LUCCHESI

BROOKFIELD FINANCIAL DESJARDINS SECURITIES
CORP. INC.

By: (Signed) MARK MURSKI

HSBC SECURITIES
(CANADA) INC.

By: (Signed) MARK EDWARDS

NATIONAL BANK FINANCIAL
INC.

By: (Signed) NICOLE CATY

By: (Signed) ANDREW WALLACE

