



DUNDEE REIT'S FUNDAMENTALS STRONG

This news release contains forward looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.

TORONTO, NOVEMBER 5, 2008 DUNDEE REIT (D.UN-TSX) today posted its financial results for the period ended September 30, 2008. Dundee REIT's management team will be holding a conference call to discuss the results on Thursday, November 6th at 9:00 a.m. (ET). To access the conference call, please dial (416) 340-2220 in Toronto and overseas or 1-866-226-1798 elsewhere in Canada and the United States. A taped replay of the call will be available from November 6, 2008 at 11:00 a.m. (ET) to November 20, 2008 at 11:59 p.m. (ET). Please dial 416-695-5800 or 1-800-408-3053 and use passcode 3272201 to access the replay. The call will also be available via webcast at www.dundeereit.com.

FINANCIAL HIGHLIGHTS

- **Q3 rental property revenues up 18% over Q3 2007 to \$47.8 million**
- **Q3 net operating income ("NOI") up 15% to \$29.4 million**
- **Q3 funds from operations ("FFO") stable at \$0.75**
- **Occupancy remains strong at 95.8%; 26% of the portfolio leased or renewed during first nine months of 2008**
- **Quarter-end weighted average interest rate remains low at 5.85%**
- **Strong year-to-date interest coverage ratio of 2.30 times**
- **Strong balance sheet with \$151 million of cash and available borrowing lines**

SELECTED FINANCIAL INFORMATION (unaudited) (\$000's except unit and per unit amounts)	Three Months Ended Sept. 30, 2008	Three Months Ended June 30, 2008	Three Months Ended Sept. 30, 2007	Nine Months Ended Sept. 30, 2008	Nine Months Ended Sept. 30, 2007
Rental property revenues	\$ 47,826	\$45,441	\$40,464	\$137,462	\$112,240
Net operating income ("NOI") ⁽¹⁾	29,412	28,747	25,658	85,164	71,223
Funds from operations ("FFO") ⁽²⁾	15,827	16,143	29,332	47,666	98,412
Adjusted funds from operations ("AFFO") ⁽³⁾	10,716	10,749	22,079	32,100	76,430
Book value of rental properties	1,145,136	1,140,319	947,309		
Debt	884,571	885,488	595,173		
Cash	96,493	112,736	7,673		
Per unit data (basic)					
FFO	0.75	0.76	0.77	2.24	2.24
AFFO	0.50	0.51	0.58	1.51	1.74
Distributions	0.55	0.55	0.55	1.65	1.65
Units (period end)					
REIT Units, Series A	17,068,948	17,192,393	17,027,880		
REIT Units, Series B	476,316	476,316	476,316		
LP Class B Units, Series 1	3,454,189	3,412,956	3,315,349		
Total number of units	20,999,453	21,081,665	20,819,545		
Occupied and committed space	95.8%	96.5%	97.0%		
Office	97.6%	97.4%	98.3%		
Industrial	90.9%	94.1%	94.0%		

FINANCIAL HIGHLIGHTS

- **Rental properties NOI up 15% to \$29.4 million** – rental properties NOI increased by 15% over the comparative quarter. Acquisitions were the primary driver behind this growth, contributing \$3.5 million for the three-month period.
- **Comparative properties NOI increased to \$19.0 million** – comparative NOI increased marginally over the comparative quarter in 2007 and by 1% compared to the prior quarter, mainly reflecting rental rate increases. “In this environment, we continue to focus on operational excellence, tenant retention and the importance of leasing space to keep our buildings full,” said Michael Knowlton, President and Chief Operating Officer.
- **Funds from operations remained stable at \$0.75** – on a per unit basis, FFO decreased slightly by 2 cents compared to the same period in 2007 and by 1 cent since the second quarter of 2008.
- **Adjusted funds from operations per unit decreased by 14% to \$0.50** – for the quarter, AFFO per unit decreased to \$0.50 from \$0.58, largely reflecting the impact of the sale of the Eastern Portfolio as well as dilution arising from surplus cash.
- **Participation in the Distribution Reinvestment Plan (“DRIP”) remains high** – 16% of the distributions declared during the quarter were reinvested in additional units, resulting in an effective cash payout ratio of 84%.

OPERATIONAL HIGHLIGHTS

- **Portfolio occupancy remains high 95.8%** – the overall percentage of occupied and committed space remains high at 95.8% and the average in-place net rent increased by 10% to \$14.90 per square foot compared to the fourth quarter of 2007.

	Occupancy Total Portfolio			Average In-place Net Rent (per sq. ft.) Total Portfolio		
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2007	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2007
Office	97.6%	96.7%	98.3%	\$ 17.53	\$ 16.30	\$ 16.18
Industrial	90.9%	96.7%	94.0%	7.29	6.71	6.56
Total	95.8%	96.7%	97.0%	14.90	13.49	13.27

On a comparative property basis, average in-place rents increased by 8.5% to \$14.54 per square foot compared to the fourth quarter of 2007.

	Occupancy Comparative Properties			Average In-place Net Rent (per sq. ft.) Comparative Properties		
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2007	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2007
Office	97.6%	96.6%	98.3%	\$17.44	\$16.28	\$ 16.18
Industrial	90.9%	96.7%	93.6%	7.29	6.71	6.69
Total	95.6%	96.7%	96.9%	14.54	13.40	13.43

ACQUISITION HIGHLIGHTS

During the quarter, the Trust acquired 4370 Dominion Street, a 64,000 square foot office property in Burnaby, British Columbia for approximately \$11.5 million.

CAPITAL INITIATIVES

- **Normal course issuer bid** – During the quarter, pursuant to the bid initiated in September 2007, the Trust purchased for cancellation 171,000 REIT Units, Series A under at an average price of \$30.85 per unit. On September 23, 2008, the Trust received TSX approval to renew its normal course issuer bid and has the ability to purchase for cancellation up to a maximum of 1,326,762 REIT A Units through the facilities of the TSX. Subsequent to quarter end, an additional 652,900 units were purchased for cancellation at an average price of \$25.16.

- **Debt** – During the third quarter, the Trust assumed \$2.1 million in new financing with an interest rate of 5.11% in connection with a rental property acquisition. The Trust's average interest rate remains low at 5.85%. The year-to-date interest coverage ratio remains strong at 2.30 times (December 31, 2007 – 2.51 times; September 30, 2007 – 2.48 times). Excluding the impact of surplus cash, interest coverage would be 2.50 times, reflecting the Trust's ability to cover interest expense requirements.

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

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

FOOTNOTES

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

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

This press release may contain forward-looking information within the meaning of applicable securities legislation. Forward looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dundee REIT's control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, general and local economic and business conditions; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; and interest and currency rate functions. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains stable, interest rates remain stable, conditions within the real estate market remain consistent, competition for acquisitions remains consistent with the current climate and that the capital markets continue to provide ready access to equity and/or debt. All forward-looking information in this press release speaks as of the date of this press release. Dundee REIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is contained in Dundee REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dundee REIT's website at www.dundeereit.com.

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