DREAM OFFICE REIT REPORTS STABLE FIRST QUARTER 2015 RESULTS AND STRONG LEASING MOMENTUM

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

TORONTO, MAY 7, 2015, DREAM OFFICE REIT (D.UN-TSX) or (the "REIT") today announced its financial results for the three months ended March 31, 2015.

OVERALL HIGHLIGHTS

Our first quarter 2015 results demonstrated the resiliency of our portfolio, diversified tenant base and strength of our leasing platform. In Q1 2015, we delivered another solid quarter of stable fundamental operating and financial metrics.

SELECTED FINANCIAL INFORMATION (unaudited) ($000's except percentages and per unit amounts)	Three months ended **March 31, 2015**	December 31, 2014	March 31, 2014
Basic:			
Adjusted funds from operations ("AFFO")[1]	**$ 0.62**	$ 0.63	$ 0.62
Funds from operations ("FFO")[1]	**0.71**	0.72	0.73
Diluted:			
Funds from operations ("FFO")[1]	**0.71**	0.71	0.72
Operating results			
Comparative properties net operating income ("NOI")[1][2]	**$ 115,214**	$ 115,325	$ 114,731
Comparative properties NOI growth (Q1 2015 vs. Q4 2014)	**(0.1%)**		
Comparative properties NOI growth (Q1 2015 vs. Q1 2014)	**0.4%**		
Occupancy rate – in place (period-end)[3]	**91.4%**	91.4%	92.5%
Occupancy rate – including committed (period-end)[3]	**92.8%**	93.0%	94.2%

Footnotes: please refer to definitions on page 5.

HIGHLIGHTS FOR THE QUARTER

- **Portfolio occupancy remained strong at 91.4%, well above the national average of 88.9%:** overall in-place occupancy of 91.4% was stable versus Q4 2014 and represented another quarter of out-performance relative to the overall national office market which saw a decline of 40 basis points ("bps") (CBRE, Canadian Market Statistics, First Quarter 2015). We reported quarter-over-quarter in-place and committed occupancy improvements of 20 bps in Calgary and stable in-place and committed occupancy in Toronto, two core markets in our portfolio.
- **Positive leasing momentum:** To date, we have already leased or committed approximately 73% of 2015 expiries and 29% of 2016 expiries. During the quarter, approximately 172,000 square feet of renewals were completed at 9.4% above expiring rents. Total portfolio estimated average market rents continue to be above average in-place rents by approximately 7.5%.

- **Reorganization of the REIT's management structure:** On April 2, 2015, the REIT announced a reorganization of its management structure whereby the annual management fee, acquisition fee and capital expenditure fee payable by the REIT to Dream Asset Management Corporation ("Dream"), were eliminated in exchange for 4,850,000 exchangeable limited partnership units of a subsidiary of the REIT which are exchangeable for REIT Units. In addition, the REIT and Dream entered into a Management Services Agreement, which includes an incentive fee tied to increases in net asset value of the REIT, pursuant to which Dream will continue to provide strategic oversight to the REIT on a cost recovery basis. The details of the reorganization are included in our press release dated April 2, 2015 and other publicly available documents filed on SEDAR.

"Our REIT has been built on a strong foundation. It has been built around a portfolio of excellent irreplaceable assets and a management platform dedicated to driving performance of the real estate. We are very pleased with the leasing that is being done across the portfolio and how the team is responding to a challenging office market," said Jane Gavan, CEO of Dream Office REIT.

"In our history, we have never had a better quality portfolio or stronger balance sheet with embedded opportunities for growth and value creation. We remain focused on strong leasing, tenant retention and investing in our real estate."

OPERATIONAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited) ($000's except number of properties, square footage and percentages)	**March 31, 2015**	December 31, 2014	March 31, 2014
			As at
Portfolio			
Number of properties	**176**	177	186
Investment properties value[3]	**$ 7,193,381**	$ 7,191,846	$ 7,298,526
Gross leasable area ("GLA")[4]	**24,124**	24,223	24,558
Occupancy rate – including committed (period-end)[3]	**92.8%**	93.0%	94.2%
Occupancy rate – in place (period-end)[3]	**91.4%**	91.4%	92.5%
Average in-place net rent per square foot (period-end)[3]	**$ 18.24**	$ 18.22	$ 17.97
Market rent / average in-place net rent	**7.5%**	7.8%	8.9%

Footnotes: please refer to definitions on page 5.

- **Occupancy increases in key markets:** At Q1 2015, both in-place occupancy and in-place and committed occupancy remain strong at 91.4% and 92.8%, respectively. Despite general concerns of the energy markets in Calgary, both our downtown and suburban portfolio improved 20 bps in our in-place and committed occupancy to 89.7% and 89.4%, respectively. In Toronto, our downtown portfolio remains close to fully leased at 97.3% and our suburban portfolio ended the quarter at 89.6%, up 10 bps over the prior quarter.

- **Strong leasing momentum:** During the quarter, leasing activity included approximately 213,100 square feet of new leases and 172,000 square feet of renewals. Deal velocity was particularly strong in downtown Calgary, where we achieved 62,900 square feet of renewals of which, approximately 56,000 square feet pertained to one tenant who renewed for a five-year term. Furthermore, tenants for 25,900 square feet of new leases took occupancy during the quarter in downtown Calgary. Eastern Canada also saw strong leasing activity with tenants for 17,200 square feet of renewals and 85,700 square feet of new leases taking occupancy during the quarter. Approximately 320,100 square feet of gross leasable area was committed for future occupancy at quarter end.

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- **Increase in average in-place net rents with additional upside:** The Trust continues to capture rental rate gains realizing a positive leasing spread of 9.4% on lease renewals. At the end of Q1 2015, the portfolio average in-place net rent was $18.24 per square foot, up from $18.22 per square foot at December 31, 2014 and $17.97 per square foot at March 31, 2014. Estimated average market rents continue to exceed average in-place rents by approximately 7.5% with the highest spreads between average market rents and in-place rents of 12.6% and 9.8%, occurring in the downtown Calgary and Toronto markets, respectively.

FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION (unaudited) ($000's except percentages and per unit amounts)	Three months ended **March 31, 2015**	December 31,2014	March 31, 2014
Operating results			
NOI[1]	**$ 112,969**	$ 113,797	$ 114,572
Comparative properties NOI[1][2]	**115,214**	115,325	114,731
Comparative properties NOI growth (Q1 2015 vs. Q4 2014)	**(0.1%)**		
Comparative properties NOI growth (Q1 2015 vs. Q1 2014)	**0.4%**		
FFO[1]	**$ 77,439**	$ 78,149	$ 78,104
AFFO[1]	**67,644**	68,570	67,291
Per unit amounts[5]			
Distribution rate	**$ 0.56**	$ 0.56	$ 0.56
Basic:			
FFO[1]	**0.71**	0.72	0.73
AFFO[1]	**0.62**	0.63	0.62
Diluted:			
FFO[1]	**0.71**	0.71	0.72
Payout ratio (%):			
FFO (basic)	**79%**	78%	77%
AFFO (basic)	**90%**	89%	90%

Footnotes: please refer to definitions on page 5.

- **Comparable properties NOI up 0.4% year over year:** Strong gains of 16.1% in our suburban Calgary portfolio and 6.2% in our downtown Toronto portfolio resulted in an overall increase of 0.4% in comparative properties NOI growth over the comparable quarter in the prior year.

- **AFFO and FFO per unit remain relatively stable:** AFFO excluding lease termination fees, bad debt expense and one-time property adjustments, was $68.0 million for the quarter and in line with the prior quarter. Relative to the prior year comparative quarter, AFFO increased by approximately $1.0 million, or 1.5%. Diluted FFO per unit was $0.71, compared to $0.71 in the prior quarter and $0.72 in the comparable quarter in prior year.

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CAPITAL HIGHLIGHTS

KEY FINANCIAL PERFORMANCE METRICS (unaudited) ($000's except percentages, ratios, and units)			As at
	March 31, 2015	December 31, 2014	March 31, 2014
Financing			
Weighted average effective interest rate (period-end)	**4.15%**	4.15%	4.19%
Weighted average face interest rate (period-end)	**4.16%**	4.18%	4.23%
Interest coverage ratio[1]	**2.9 times**	2.9 times	2.9 times
Net average debt-to-EBITDFV (years)[1]	**7.9**	7.8	8.0
Level of debt (net debt-to-gross book value)[1]	**47.6%**	47.5%	47.6%
Level of debt (net secured debt-to-gross book value)[1]	**40.5%**	40.4%	40.6%
Debt – average term to maturity (years)	**4.1**	4.4	4.6
Unencumbered assets	**$ 820,000**	$ 796,000	$ 771,000
Unsecured convertible and non-convertible debentures	**533,920**	533,860	534,175
Capital (period end)			
Total number of units (REIT A and LP B Units)	**108,510,096**	108,539,009	107,504,611
Market capitalization	**$ 2,859,241**	$ 2,729,756	$ 3,124,084

Footnotes: please refer to definitions on page 5.

- **Strong debt metrics sustained:** We remain committed to maintaining a strong balance sheet. Key debt metrics for the quarter ended March 31, 2015 remained stable compared to the prior quarter. Debt-to-gross book value ratio was 47.6% at quarter end. Interest coverage ratio and net average debt-to-EBITDFV ratio remained strong at 2.9 times and 7.9 years, respectively. The Trust's pool of unencumbered assets increased to approximately $820 million from approximately $796 million in the prior quarter and $771 million in the comparable quarter prior year.

- **Unit repurchase program update:** During the quarter, the Trust has purchased for cancellation approximately 835,000 REIT A units under its NCIB at an average price of $26.76 per unit and a total cost of approximately $22.3 million. Year to date, the Trust has purchased for cancellation approximately 1,265,800 REIT A Units at an average price of $27.09 per unit. During that period, the unit price of the REIT has improved from $25.15 to $27.20, an increase of 8%.

Other information

Information appearing in this news release is a select summary of results. The condensed consolidated financial statements and management's discussion and analysis of the Trust are available at www.dreamofficereit.ca and on www.sedar.com.

Dream Office REIT is an unincorporated, open-ended real estate investment trust. Dream Office REIT is focused on owning, acquiring, leasing and managing well-located, high-quality central business district and suburban office properties. Its portfolio currently comprises approximately 24.1 million square feet of gross leasable area in major urban centres across Canada. Dream Office REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit our website at www.dreamofficereit.ca.

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FOOTNOTES

(1) AFFO, FFO, comparative properties NOI, NOI, interest coverage ratio, net average debt-to-EBITDFV and level of debt are non-GAAP measures used by Management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-GAAP Measures" in this press release.
(2) Comparative properties NOI (non-GAAP measure) includes NOI of same properties owned by the Trust in the current and comparative period and excludes lease termination fees and certain one-time adjustments, property held for redevelopment, straight-line rent and amortization of lease incentives.
(3) Includes investments in joint ventures and excludes redevelopment properties and assets held for sale as at period end.
(4) In thousands of square feet and excludes redevelopment properties and assets held for sale.
(5) A description of the determination of basic and diluted amounts per unit can be found in section "Non-GAAP measure and other disclosures" under the heading "Weighted average number of units" of the MD&A.

Non-GAAP Measures

The Trust's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures, including Adjusted Funds From Operations ("AFFO"), Funds From Operations ("FFO"), comparative properties Net Operating Income ("NOI"), NOI, interest coverage ratio, net average debt-to-EBITDFV and level of debt as well as other measures discussed elsewhere in this release. These non-GAAP measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such non-GAAP measures as Management believes they are relevant measures of the Trust's underlying operating performance and debt management. Non-GAAP measures should not be considered as alternatives to net income, cash generated from (utilized in) operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-GAAP Measures and Other Disclosures" in Dream Office REIT's Management's Discussion and Analysis for the three months ended March 31, 2015.

Forward looking information

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 Dream Office REIT's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, general and local economic and business conditions; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; and interest and currency rate 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. Dream Office 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 Dream Office REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dream Office REIT's website at www.dreamofficereit.ca.

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