



DUNDEE REIT COMPLETES \$163 MILLION EQUITY OFFERING AND UPDATES ON \$690 MILLION OFFICE PORTFOLIO ACQUISITION

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FOR IMMEDIATE RELEASE

TORONTO, AUGUST 15, 2011, DUNDEE REIT (D.UN – TSX) today announced the closing of its previously announced public offering of 5,037,000 REIT Units, Series A (“Units”) at a price of \$32.40 per Unit for gross proceeds of \$163,198,800. The offering was completed through a syndicate of underwriters, led by TD Securities Inc. Dundee REIT granted the syndicate an over-allotment option, exercisable for a period of 30 days following closing, to purchase an additional 694,500 Units which, if exercised, would increase the gross proceeds to \$185,700,600. The offering includes 407,000 Units purchased by Dundee Corporation at the offering price pursuant to the exercise of its pre-emptive right under Dundee REIT’s declaration of trust.

The net proceeds from the offering are being utilized in connection with the previously announced acquisition of 29 office properties in Toronto, Ottawa, Edmonton and Calgary from affiliates of Blackstone Real Estate Advisors LP (“Blackstone”) and Slate Properties Inc. (“Slate”) for \$831.8 million. As part of the transaction, Dundee REIT is redirecting five of these assets to third parties for proceeds of \$142.0 million. The 24 office properties ultimately acquired by the REIT (the “Properties” or the “Portfolio”) total \$689.8 million (excluding transaction costs). The acquisition is expected to close by the end of business today.

In addition to the equity raised through this offering, Dundee REIT will finance the transaction with \$470.3 million of debt at an average rate of 3.9% and an average term of 7.2 years. The debt consists of mortgages totalling \$282.3 million that have been secured for terms ranging between 7 and 10 years at an average interest rate of 4.3%. In addition, the REIT has entered into a \$188 million 5-year credit facility, of which \$133 million is fixed at an interest rate of 3.5% for the full five-year term and the remaining \$55 million is fixed for the first three years at 3.0%. The facility is interest only and can be repaid at any time. The remainder of the purchase price will be funded with cash on hand.

Michael Cooper, CEO, stated that “in addition to the significant accretion this transaction offered when we committed to it, we have now financed the portfolio at an interest rate nearly 50 basis points less than our original proforma, increasing the accretiveness by an additional 4 cents per unit based solely on the financing. At a time when there is such anxiety in the financial markets, we are pleased that we can offer both stable and growing cash flows to our unitholders.”

This press release is not an offer of securities for sale in the United States. The Units being offered have not been and will not be registered under the United States Securities Act of 1933 and accordingly are not being offered for sale and may not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except pursuant to an exemption from the registration requirements of that Act.

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. Dundee REIT's portfolio currently consists of approximately 18.9 million square feet of gross leasable area across Canada. Dundee REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit www.dundeereit.com.

- 30 -

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