DUNDEE REIT JUNE 30, 2005 FINANCIAL RESULTS

Toronto, August 4, 2005, DUNDEE REIT (D.UN-TSX) today reported its financial results for the quarter ended June 30, 2005.

- **Revenue up 16% to $53.4 million over prior year second quarter**
- **Net operating income up 15% to $29.6 million over prior year second quarter**
- **Funds from operations up 2% to $16.0 million over prior year second quarter**
- **Occupied and committed space rises to 95.8% from 94.2% at June 30, 2004**
- **Debt-to-gross book value 60.7% (48.8% excluding the convertible debentures)**
- **Decrease of average interest rate to 6.24% from 6.63% at June 30, 2004**
- **$170 million in acquisitions completed in the second quarter bringing total acquisitions in 2005 to $221 million**

Michael Cooper, President and Chief Executive Officer and Michael Knowlton, Executive Vice-President and Chief Financial Officer will be holding a conference call to discuss the results today, Thursday, August 4, 2005 at 4:30 p.m. (ET). To access the conference call, please dial 416-641-6659 in Toronto and Overseas or 1-800-640-7112 elsewhere in Canada and the United States. A taped replay of the call will be available from August 4, 2005 at 6:00 p.m. (ET) to August 11, 2005 at 11:59 p.m. (ET). Please dial 416-626-4100 and enter passcode 21256386 to access the replay.

SELECTED FINANCIAL INFORMATION (unaudited) ($000's except unit and per unit amounts)	**Three Months Ended June 30, 2005**	Three Months Ended March 31, 2005	Three Months Ended June 30, 2004	**Six Months Ended June 30, 2005**	Six Months Ended June 30, 2004
Rental property revenues	**$ 53,378**	$ 50,793	$ 46,191	**$ 104,171**	$ 89,099
Net operating income ("NOI") (1)	**29,601**	27,068	25,773	**56,669**	48,622
Funds from operations ("FFO") (2)	**15,952**	15,358	15,702	**31,310**	29,374
Net income	**3,420**	3,681	(8,206)	**7,101**	(4,049)
Distributable income ("DI") (3)	**14,209**	13,684	13,783	**27,893**	26,157
Book value of rental properties	**1,244,097**	1,095,770	1,071,212		
Debt	**886,733**	731,183	704,433		
Debt-to-gross book value	**60.7%**	56.4%	56.4%		
Per unit data (basic)					
FFO	**0.64**	0.62	0.65	**1.25**	1.29
Net income	**0.20**	0.22	(0.49)	**0.42**	(0.26)
Distributable income	**0.57**	0.55	0.57	**1.12**	1.15
Distributions	**0.55**	0.55	0.55	**1.10**	1.10
Units (period end)					
REIT Units, Series A outstanding	**16,904,915**	16,855,254	16,727,655		
LP Class B Units, Series 1 outstanding	**8,278,728**	8,098,025	7,564,418		
Total number of units outstanding	**25,183,643**	24,953,279	24,292,073		
Occupied and committed space	**95.8%**	95.2%	94.2%		

"We are pleased to see that actions taken to maximize our long-term value are becoming evident in our quarter-over-quarter results. Our acquisition program has added quality assets to our portfolio at reasonable prices and the favorable interest rate environment has allowed us to take advantage of record low mortgage rates," said Michael Cooper, President and CEO. He went on to add, "growth through acquisitions, coupled with the consistent performance of our comparative properties, provides us with a solid platform for predictable and sustainable results".

FINANCIAL HIGHLIGHTS

- **Rental properties NOI was $29.6 million** – Net operating income for the three month period grew by $3.8 million or 15% compared to the same quarter last year primarily due to contributions from acquisitions. Comparative NOI was virtually unchanged period-over-period, reflecting the stability and occupancy level of the properties. An overall increase in comparative occupancy primarily reflects increases in the Ontario office portfolio and the Québec and Western Canada industrial portfolios.
- **Funds from operations was $16.0 million** – On a per unit basis, FFO was slightly lower than compared to the same quarter last year due to dilution arising from the delay in deploying the funds raised from the convertible debenture issuance and the one-time financing charges incurred in 2005.
- **Distributable income was $14.2 million** – In the three months ended June 30, 2005, Dundee REIT generated $14.2 million of distributable income, representing $0.57 per unit. During the quarter, the Trust declared distributions totalling $0.55 per unit.
- **Distribution Reinvestment and Unit Purchase Plan ("DRIP") enrolment is high** – At June 30, 2005, approximately 47% of the Trust's total units were enrolled in the DRIP, including 21% of REIT Units, Series A and 100% of LP Class B Units, Series 1. As a result of this high level of participation in the DRIP, the Trust's cash payout ratio for distributions was 55.6% during the second quarter.

OPERATIONAL HIGHLIGHTS

- **Portfolio occupied and committed space increased to 95.8% as of June 30, 2005** - During the first half of 2005, Dundee REIT recorded a net increase in occupied space of 87,600 square feet. Leases representing 1.1 million square feet expired or were terminated during the six months and approximately 1.2 million square feet of new leases or renewals were completed. The overall percentage of occupied and committed space across Dundee REIT's office portfolio increased to 95.1% (June 30, 2004 – 94.6%) and the industrial portfolio increased to 96.6% (June 30, 2004 – 94.1%). The average in-place rents in the office and industrial portfolios were $14.08 and $5.79 per square foot respectively (June 30, 2004 - $14.42 and $5.75 respectively). Approximately 0.8 million square feet will be expiring throughout the remainder of 2005. Dundee REIT has extensive experience in managing its lease maturities and does not anticipate any significant changes in occupancy.

ACQUISITION HIGHLIGHTS

To date in 2005, Dundee REIT has completed $221 million in acquisitions and has entered into contracts to acquire a further $70 million. The office and industrial assets acquired are primarily located in the Trust's core markets, are comparable with its existing portfolio but tend to be newer and have longer lease terms. Based on current market conditions, the initial yield on these acquisitions is approximately 8.6**%**. "We will continue to expand our office and industrial presence in our target markets by pursuing opportunities that will not only grow our portfolio in size but also improve the overall quality of our portfolio and contribute to our results," said Mr. Cooper. "Given the goal of growing our adjusted funds from operations on a per unit basis, we are, and will continue to be, very selective about which opportunities we will pursue. Completing acquisitions that will merely increase our size will actually make it more difficult for us to grow our distributions."

Acquisition Completed in the Second Quarter

	Property Type	Interest Acquired	Occupancy on acquisition	Acquired GLA	Purchase Price ($000's)	Date Acquired
56 Wellesley Street West, Toronto (1)	Office	50%	100%	108,000	$ 14,141	April 1, 2005
120 Valleywood Drive, Markham	Industrial	50%	100%	30,000	1,694	April 1, 2005
2280 boul. Alfred-Nobel, Montréal	Office	100%	-	86,000	5,472	April 8, 2005
1000 boul. Saint-Jean, Montréal	Office	100%	98%	112,000	16,133	April 14, 2005
22000 Trans Canada Hwy. and 115 boul. Hymus Montréal	Industrial	100%	100%	371,000	24,548	April 18, 2005
1415 – 1511 rue Berlier, Laval	Industrial	100%	100%	64,000	4,432	May 5, 2005
375 – 425 Britannia Road, Mississauga	Industrial	100%	99%	121,000	10,468	May 30, 2005
Joffre Place, Calgary	Office	100%	96%	111,000	18,310	June 2, 2005
975 boul. Saint-Joseph, Gatineau	Office	100%	99%	194,000	25,945	June 17, 2005
400 – 480 boul. Armand Frappier, Laval	Office	100%	94%	198,000	35,525	June 20, 2005
2285 Speakman Drive, Mississauga	Office	100%	100%	131,000	13,161	June 27, 2005
TOTAL				1,526,000	$ 169,829	
Average capitalization rate					8.6% (2)	

(1) Represents purchase of the balance of the property.
(2) Excludes 2280 boul. Alfred-Nobel, Montréal, under redevelopment

The Trust has also entered into various agreements to acquire approximately 190,000 square feet of office and 416,000 square feet of flex/industrial properties located primarily in its key markets for approximately $70 million. The average occupancy in these properties is 99**%.**

CAPITAL INITIATIVES

- **Convertible Debentures** – on April 1, 2005, the Trust completed its public offering of $100 million principle amount of convertible unsecured subordinated debentures that bear interest at 5.7% ("5.7% Debentures"). The 5.7% Debentures pay interest semi-annually on March 31st and September 30th, and mature on March 31, 2015. The 5.7% Debentures are convertible into 33.33 REIT Units, Series A per $1,000 of face value, representing a conversion price of $30.00 per unit. The proceeds were used to fund acquisitions as well as to repay existing high-rate debt.
- **Debt** – Dundee REIT's weighted average interest rate was reduced by 38 basis points during the first six months of 2005 to 6.24% as at June 30, 2005 (December 31, 2004 – 6.62%).

Information appearing in this news release is a select summary of results. The financial statements and management's discussion and analysis for the Trust will be available at www.sedar.com and will also be available with the Supplementary Information Package at www.dundeereit.com.

Dundee REIT is an unincorporated, open-ended real estate investment trust. We are a provider of high quality, affordable business premises. We focus on owning, acquiring, leasing and managing mid-sized urban and suburban office and industrial properties in Canada. Our diversified portfolio consists of approximately 15.2 million square feet of gross leasable area, located primarily in our target markets of Toronto, Ottawa, Montréal, Calgary and Edmonton. Our portfolio is well diversified by asset type, geographic location and tenant mix. For more information, please visit www.dundeereit.com.

FOOTNOTES

(1) NOI - revenue less operating expenses.

(2) FFO - net income, adjusted for future income tax, depreciation and amortization, and gain (loss) on sale and provision for diminution in value of assets and other amortization.

(3) DI is defined in our Declaration of Trust and has been restated for Q2 2004 using the new definition for distributable income as outlined in Appendix A of the Trust's Management Information Circular dated March 14, 2005.

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

All statements in this press release that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent Dundee Real Estate Investment Trust's intentions, plans, expectations, and beliefs, and are subject to risks, uncertainties, and other factors, of which many are beyond the control of the Trust. These factors could cause actual results to differ materially from such forward-looking statements. Dundee Real Estate Investment Trust disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

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