



DUNDEE REIT POSTS 20% INCREASE IN Q2 2009 ADJUSTED FUNDS FROM OPERATIONS PER UNIT

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, August 4, 2009 DUNDEE REIT (D.UN-TSX) today posted its financial results for the period ended June 30, 2009. Dundee REIT's management team will be holding a conference call to discuss the results on Wednesday, August 5th 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 August 5, 2009 at 11:00 a.m. (ET) to August 19, 2009 at 11:59 p.m. (ET). Please dial 416-695-5800 or 1-800-408-3053 and use passcode 6726500 to access the replay. The call will also be available via webcast at www.dundeereit.com.

FINANCIAL HIGHLIGHTS

- Q2 rental property revenues up 7% over Q2 2008 to \$47.4 million
- Q2 net operating income ("NOI") up 7% to \$30.7 million; comparative properties NOI up 8% to \$25.4 million
- Q2 funds from operations ("FFO") per unit up 8% to \$0.82
- Q2 adjusted funds from operations ("AFFO") per unit up 20% to \$0.61
- Quarter-end weighted average interest rate remains low at 5.79%
- Strong interest coverage ratio of 2.33 times
- Strong balance sheet with \$79 million of cash and a \$40 million operating line

SELECTED FINANCIAL INFORMATION <small>(unaudited) (\$000's except unit and per unit amounts)</small>	Three Months Ended June 30, 2009	Three Months Ended March 31, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Rental property revenues	\$ 47,378	\$48,976	\$44,479	\$96,354	\$87,671
Net operating income ("NOI") ⁽¹⁾	30,674	30,506	28,747	61,180	55,752
Funds from operations ("FFO") ⁽²⁾	17,138	16,924	16,143	34,062	31,839
Adjusted funds from operations ("AFFO") ⁽³⁾	12,713	12,290	10,749	25,003	21,384
Book value of rental properties	1,111,649	1,140,567	1,140,319		
Debt	868,522	880,408	885,488		
Cash	79,324	69,333	112,736		
Per unit data (basic)					
FFO	0.82	0.81	0.76	1.62	1.50
AFFO	0.61	0.59	0.51	1.19	1.01
Distributions	0.55	0.55	0.55	1.10	1.10
Units (period end)					
REIT Units, Series A	17,301,556	17,248,270	17,192,393		
REIT Units, Series B	16,316	16,316	476,316		
LP Class B Units, Series 1	3,454,188	3,454,188	3,412,956		
Total number of units	20,772,060	20,718,774	21,081,665		
Occupied and committed space					
Office	94.2%	95.0%	96.5%		
Industrial	89.3%	91.1%	94.1%		

"We continue to focus on our operations and managing our properties well, which is reflected in our second quarter financial results. At \$0.61 per unit, our second quarter AFFO is our best ever," said Michael Cooper, Vice Chairman and Chief Executive Officer.

FINANCIAL HIGHLIGHTS

- **Rental properties NOI up 7% to \$30.7 million** – rental properties NOI increased by 7% over the prior year second quarter. Significant growth in our comparative portfolio and properties acquired in 2008 were the primary drivers behind this increase. Every single market in Dundee REIT's portfolio contributed to the Trust's impressive NOI growth with double-digit increases in the British Columbia, Saskatchewan & Northwest Territories and Ontario markets. The Trust's office portfolio outside of Alberta accounted for more than 40% of the overall office NOI.
- **Comparative properties NOI up 8% to \$25.4 million** – comparative NOI increased by 8% over the prior year second quarter, reflecting significant increases in rental rates on renewals and contractual rent increases in our office portfolio.
- **Funds from operations per unit grew by 8% to \$0.82** – on a per unit basis, FFO increased by 8% to \$0.82 compared to the same period in 2008, primarily due to growth from our comparative property portfolio and acquisitions completed in 2008.
- **Adjusted funds from operations per unit increased by 20% to \$0.61** – for the quarter, AFFO per unit increased significantly to \$0.61 from \$0.51, primarily due to strong performance from our portfolio as well as our property management function.

OPERATIONAL HIGHLIGHTS

- **Portfolio occupancy stable at 94.2%** – the overall percentage of occupied and committed space was 94.2%, with the Trust's average occupancy rate across the office portfolio of 96.0% remaining significantly above the industry average. The average in-place net rent increased by 7% to \$15.47 per square foot compared to the same quarter last year and by 1.1% compared to the fourth quarter of 2008. "We continued to capture rent increases for new leases and renewals, leading to significant growth in our operating results in the second quarter" said Michael Knowlton, President and Chief Operating Officer.

	Occupancy			Average In-place Net Rent (per sq. ft.)		
	June 30, 2009	Dec. 31, 2008	June 30, 2008	June 30, 2009	Dec. 31, 2008	June 30, 2008
Office	96.0%	96.6%	97.4%	\$18.21	\$ 17.94	\$ 17.26
Industrial	89.3%	87.0%	94.1%	7.57	7.35	6.93
Total	94.2%	94.0%	96.5%	15.47	15.30	14.50

CAPITAL INITIATIVES

Debt – During the second quarter, the Trust completed the refinancing of three mortgages and received total proceeds of \$36.8 million, representing incremental liquidity of \$12.6 million, and renewed a demand revolving credit facility of up to \$40 million. As a result of various financing activities, the overall weighted average interest rate continues to be low at 5.79%, a further decrease compared to 5.83% at December 31, 2008 (June 30, 2008 – 5.84%). The year-to-date interest coverage ratio remains stable at 2.3 times (December 31, 2008 – 2.3 times; June 30, 2008 – 2.4 times).

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 6.8 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, provision for impairment in value of discontinued assets, loss on sale, 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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