



DUNDEE REIT AGREES TO ISSUE EQUITY AND TO ACQUIRE ADELAIDE PLACE IN TORONTO

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TORONTO, DECEMBER 9, 2009 DUNDEE REIT (D.UN-TSX) announced today that it has entered into an agreement to acquire Adelaide Place, a 655,000 square foot two tower Class A office complex located in the financial core of Toronto for \$211.5 million (excluding closing costs). This prominent property was extensively retrofitted in 2001, including a full exterior re-cladding, re-glazing and connection to the Enwave Deep Lake Water Cooling System, and is certified BOMA BEST Level 3. The complex offers a strong and diverse tenant roster with 79 tenants and a staggered rollover profile. The transaction is expected to close by February 1, 2010, subsequent to completing satisfactory due diligence.

The REIT also announced that it has entered into an agreement to sell 4,800,000 REIT Units, Series A on a bought deal basis at a price of \$18.75 per Unit to a syndicate of underwriters led by TD Securities Inc. for gross proceeds of \$90,000,000. In addition, Dundee REIT has granted the syndicate an over-allotment option, exercisable for a period of 30 days following closing, to purchase up to an additional 720,000 Units which, if exercised, would increase the gross offering size to \$103,500,000. The offering is scheduled to close on or about January 7, 2010, and is subject to regulatory approval.

As previously announced, the Trust has five additional properties comprising 1.15 million square feet of office space in Toronto and Ottawa under contract, subject to various conditions. Altogether, Dundee REIT's acquisition pipeline currently contains \$352.7 million of high quality properties at an approximate 8.1% cap rate. The acquisitions are expected to be financed with the net proceeds from this offering, cash on hand, \$184.3 million of new and assumed debt, and will be levered well below the REIT's third quarter debt-to-gross book value of 58.4%. In addition, three of the properties, which are being acquired for \$46.3 million, will remain unencumbered, increasing the number of unencumbered properties to seven, with an estimated market value of \$125 million. Subsequent to these transactions, the REIT will have approximately \$95 million of borrowing capacity in the form of an unused credit facility and unencumbered assets, providing it with flexibility to manage its business or the capacity to complete up to \$210 million in new acquisitions.

The REIT anticipates closing two of the five previously announced office property transactions by the end of 2009 with the other transactions closing early in the first quarter of 2010. Taken together, the properties being acquired have an average occupancy rate of 98%, an average remaining lease term of 4.6 years and an average in-place net rent per square foot of about \$13.50. Approximately 16% of the leases will mature over the next two years, with only 4% maturing in 2010.

The acquisitions reflect Dundee REIT's strategy to grow its portfolio and to once again achieve greater geographic diversification among its assets. The following table provides an overview of the acquisitions:

Location	Approx. GLA (sq. ft.)	No. of Tenants	Occupancy	Estimated Purchase Price (\$millions)	Price Per Sq. Ft.
Five previously announced office transactions, located in Toronto and Ottawa	1,150,000	64	99%	\$ 141.2	\$ 123
Adelaide Place (181 University Avenue and 150 York Street), Toronto	655,000	79	98%	\$ 211.5	\$ 323
TOTAL	1,805,000	143	98%	\$ 352.7	\$ 195

“Since the sale of our portfolio in Eastern Canada in 2007, we have acquired or have contracts to acquire \$632 million of assets. Along with Adelaide Place and the other properties currently under contract, we have acquired 438 University Avenue and our partners’ 50% interest in 720 Bay Street, both in downtown Toronto, and an interest in IBM Corporate Park in Calgary. We also have a contract to acquire BMW’s new Canadian headquarters in Toronto once construction is completed and we are developing a building in Yellowknife that is fully leased to the Government of Canada. These acquisitions and developments demonstrate our commitment to high quality properties that bring additional value to our business,” said Michael Cooper, CEO of Dundee REIT. “On the whole the assets added to our portfolio over the past two years enhance the overall quality of our portfolio and our ability to generate stable cash flows. In particular, we are excited about Adelaide Place, which is a highly recognizable, Class A asset in the financial core of Toronto. Assets like these rarely come to market,” said Mr. Cooper.

The acquisitions under consideration are in various stages of due diligence and while Dundee REIT expects to complete these transactions, no such assurance can be given. Dundee REIT has an extensive and successful track record for sourcing and completing a large volume of transactions. Between 2003 and 2008, Dundee REIT completed \$2.3 billion of acquisitions involving more than 70 transactions.

The following table depicts Dundee REITs net operating income (“NOI”) by geographic region both before and after the completion of the acquisitions and developments.

	Proforma NOI Post-acquisition	NOI September 30, 2009
Calgary Office	38%	54%
British Columbia Office	6%	8%
Saskatchewan & Northwest Territories Office	17%	15%
Ontario Office	32%	13%
Industrial	7%	10%

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.

Property Descriptions (photographs follow at the end of this press release)

Adelaide Place, 181 University Avenue and 150 York Street, Toronto – This two tower Class A office complex is located in the financial core of Toronto, on the north side of Adelaide Street West between York Street and University Avenue and is connected to Toronto’s PATH underground walkway system. It contains approximately 655,000 square feet of space, the vast majority of which is office but also includes some retail and a bank branch at grade level. Both towers were extensively retrofitted in 2001, including a full exterior re-cladding and re-glazing and connection to the Enwave Deep Lake Water Cooling System. The property offers a diverse tenant roster including CIBC, DBRS and Medcan Health Management. The buildings are BOMA BEST Level 3 certified.

6655-6725 Airport Road, Mississauga - This four building office complex is located opposite Toronto Pearson International Airport, one of the largest and busiest airports in North America. The property, which was built between 1983 and 1987, comprises approximately 330,000 square feet of space. Significant tenants include Winners and Aditya Birla Minacs (a large global outsource and call centre operation) both of which have long-term leases.

Aviva Corporate Centre, Toronto - This property, which was owned by Dundee REIT prior to its sale in 2007, consists of four buildings and is located in eastern Toronto. Three office buildings comprise approximately 351,000 square feet, the majority of which is leased to Aviva, one of the world’s largest insurance companies. The fourth building, which comprises approximately 87,000 square feet, is a warehouse building.

2645 Skymark Avenue, Mississauga - This building is located in the Airport Corporate Centre near the Toronto Pearson International Airport and comprises 143,000 square feet of office and flex space. The office space is leased to Worley Parsons, a global engineering group listed on the Australian Stock Exchange. The warehouse space, with a clear ceiling height of 32 feet, is leased to The Fashion Distributors, a third party logistics provider.

1125-1145 Innovation Drive, Ottawa - The property consists of three linked suburban office buildings in the Kanata submarket in western Ottawa. The property, which was built in 2001, contains 119,000 square feet of space fully occupied by three tenants: CAE, a world-leading aviation training and simulation company, Edgewater, a defence communications company and Skywave, a global satellite communications company.

Gateway Office Park, Ottawa - This three building office complex is also located in the Kanata submarket. The property was built between 1987 and 1989 and comprises approximately 120,000 square feet. Together with the acquisition of Innovation Drive, these properties will help Dundee REIT to re-establish a presence in Ottawa.

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.

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 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. Except as required by securities laws, 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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