



DUNDEE REIT POSTS STRONG RESULTS AND TRANSFORMS COMPANY WITH \$1.5 BILLION IN ACQUISITIONS DURING THE LAST 18 MONTHS

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, FEBRUARY 24, 2011 DUNDEE REIT (D.UN-TSX) today posted strong financial results for the quarter and year ended December 31, 2010. Dundee REIT's management team will be holding a conference call to discuss the results on Friday, February 25 at 9:00 a.m. (EST). To access the conference call, please dial 416-340-2216 in Toronto and overseas or 1-877-240-9772 elsewhere in Canada and the United States. A taped replay of the call will be available from February 25, 2011 at 11:00 a.m. (EST) to March 25, 2011 at 11:59 p.m. (EST). Please dial 905-694-9451 or 1-800-408-3053 and use passcode 7758605 to access the replay. The call will also be available via webcast at www.dundeereit.com.

HIGHLIGHTS

Strong operations:

- Occupancy rate remains high at 96.1%
- 57% growth in net operating income ("NOI") over the comparative quarter
- 22nd consecutive quarter of comparative NOI growth
- \$922 million of acquisitions completed in 2010 across Canada and another \$462 million closed subsequent to year-end

Solid financial position:

- Enterprise value of \$3.1 billion; quality of cash flows significantly improved
- \$593 million of equity raised in 2010 and an additional \$144 raised in February 2011
- 5.43% weighted average interest rate; 2.8 times interest coverage ratio
- Operating at target debt level of 54%

SELECTED FINANCIAL INFORMATION (unaudited) (\$000's except unit and per unit amounts)	Three Months Ended	Three Months Ended	Three Months Ended	Year Ended	Year Ended
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Rental property revenues	\$ 81,162	\$72,806	\$ 50,156	\$ 279,352	\$ 192,083
Net operating income ("NOI") ⁽¹⁾	48,484	44,790	30,791	172,398	120,954
Funds from operations ("FFO") ⁽²⁾	30,381	27,532	17,363	105,071	67,633
Adjusted funds from operations ("AFFO") ⁽³⁾	25,245	21,590	13,033	83,572	49,783
Book value of rental properties	1,955,980	1,734,125	1,181,058		
Debt	1,296,851	1,105,752	857,060		
Cash	117,304	109,786	12,022		
Per unit data (basic)					
FFO	0.66	0.66	0.70	2.71	3.04
AFFO	0.55	0.52	0.52	2.16	2.24
Distributions	0.55	0.55	0.55	2.20	2.20
Units (period end)					
REIT Units, Series A	45,896,203	41,949,024	21,247,397		
REIT Units, Series B	16,316	16,316	16,316		
LP Class B Units, Series 1	3,481,733	3,475,496	3,454,188		
Total number of units	49,394,252	45,440,836	24,717,901		
Occupied and committed space	96.1%	97.1%	95.4%		
Office	95.8%	96.6%	96.7%		
Industrial	96.9%	98.5%	90.6%		

"The last 18 months transformed Dundee REIT. We have doubled the size of our portfolio, increased its geographic diversification and more than quadrupled our market cap," said Michael Cooper, Chief Executive Officer.

FINANCIAL HIGHLIGHTS

- **NOI up 57% to \$48.5 million** – rental properties NOI increased by 57% and 43% for the three- and twelve-month periods, respectively, reflecting contributions from acquisitions as well as comparative property growth.
- **Comparative properties NOI up 1% to \$27.7 million** – comparative NOI increased by 1% and 2% over the three- and twelve-month periods, respectively, reflecting improvements in most geographic regions. This highlights the continued strength of the Trust's portfolio and marks its 22nd consecutive quarter of comparative property growth.
- **Adjusted funds from operations increased by 94% to \$25.2 million** – AFFO increased by 94% and 68% over the three- and twelve-month periods, respectively, primarily due to acquisitions. On a per unit basis, AFFO increased by 6% over the comparative quarter, mainly as a result of accretive acquisitions. For the twelve-month period, AFFO decreased by 4% on a per unit basis due to carrying excess cash on the Trust's balance sheet. "Over the last 18 months, we've made accretive acquisitions financed with long term debt at historically low rates. Our NOI comes from high quality buildings and is diversified across the country. With an enterprise value in excess of \$3.1 billion and a significant number of assets with growth potential, we continue to improve the quality of our cash flows, providing our unitholders with stable and predictable distributions," said Mario Barrafato, Chief Financial Officer.

ACQUISITION HIGHLIGHTS

In 2010, the Trust completed \$922 million of acquisitions, followed by another \$462 million to date in 2011, as highlighted in the table below.

Acquisitions	Property Type	Approx. GLA (sq. ft.)	Purchase Price (\$000's)	Date	Cap rate ⁽²⁾
Total Closed in Q1 - Q3 2010	Office / Industrial	3,571,696	639,550⁽¹⁾		7.9
Q4 2010					
236 Brownlow Avenue, Dartmouth	office	60,739	7,455	October 5, 2010	
970 Fraser Drive, Burlington	industrial	95,444	7,090	October 19, 2010	
2200 & 2204 Walkley Road, Ottawa	office	156,551	23,653	November 2, 2010	
2625 Queensview Drive, Ottawa	office	46,156	8,656	November 5, 2010	
30 Simmonds Drive, Dartmouth	industrial	37,240	1,621	November 22, 2010	
105 Akerley Boulevard, Dartmouth	industrial	57,524	3,101	November 22, 2010	
4259-4299 Canada Way, Burnaby	office	118,536	26,280	December 15, 2010	
2665 Renfrew Street, Vancouver	office	81,662	34,649	December 21, 2010	
AFIAA Portfolio, Toronto, Mississauga and Calgary	office	198,392	45,348	December 21, 2010	
10250-101 Street, Edmonton	office	296,961	84,619	December 22, 2010	
100 Gough Road, Toronto	office	111,840	30,475	December 30, 2010	
580 Industrial Road, London	industrial	113,595	9,674	December 30, 2010	
Total Closed in Q4 2010		1,374,468	\$ 282,621⁽¹⁾		7.0
Saskatoon Square, Saskatoon,	office	209,600	50,000	January 4, 2011	
400 Cumberland Street, Ottawa	office	174,921	38,300	January 17, 2011	
Realex Properties Corp.	office/industrial	1,837,300	373,400	February 8, 2011	
Total Closed in 2010 and to date in 2011		7,167,985	\$ 1,383,871		7.7

(1) Purchase price includes transactions costs

(2) Cap rates are based on acquisition prices

"We have been very successful in acquiring properties at attractive cap rates. Due to the unusual market conditions, we were able to add a significant number of high quality downtown office properties to our portfolio. In addition, we acquired two buildings, 10250-101 Street in Edmonton and Saskatoon Square, with notable NOI growth potential. Excluding these two properties, the cap rate for acquisitions closed in 2010 and 2011 would have been 7.9%. Going forward, we will continue to seek and find external growth opportunities that provide increased value to our business," said Michael Cooper.

OPERATIONAL HIGHLIGHTS

Portfolio occupancy remains strong at 96.1% – the overall percentage of occupied and committed space remains solid at 96.1%. Comparative occupancy increased marginally year-over-year to 95.9% from 95.4% in December 2009. “We are pleased with our fourth quarter results. Our portfolio continues to have a track record of stability, consistently operating at an occupancy level near 96%,” said Michael Knowlton, Chief Operating Officer.

	Occupancy		
	Dec. 31, 2010	Sept. 30, 2010	Dec. 31, 2009
British Columbia	96.0%	96.5%	95.3%
Alberta	93.2%	94.9%	95.2%
Saskatchewan & NWT	97.4%	97.5%	98.7%
Eastern Canada	97.8%	98.0%	99.1%
Total Office	95.8%	96.6%	96.7%
Industrial	96.9%	98.5%	90.6%
Total Portfolio	96.1%	97.1%	95.4%

CAPITAL INITIATIVES

- **New equity issues** – On December 21, 2010, the Trust completed its fifth equity offering in 2010 and issued 3,864,000 REIT A Units at a price of \$29.85 per unit for gross proceeds of \$115.3 million, increasing the equity raised in 2010 to \$593 million. Subsequent to year-end, the Trust completed another public offering and issued 4,749,500 REIT A Units at a price of \$30.30 per unit for gross proceeds of \$143.9 million.
- **Debt** – During the quarter, the Trust placed \$121.8 million of new mortgages at an average interest rate of 4.27% and assumed \$77.2 million of debt at an average interest rate of 4.96%, further reducing the Trust’s overall weighted average interest rate to 5.43% (September 30, 2010 – 5.63%; December 31, 2009 – 5.75%) and its interest coverage ratio increased marginally to 2.8 times (September 30, 2010 – 2.7 times; December 31, 2009 – 2.3 times). The Trust’s debt-to-gross book value was 51.9% as at December 31, 2010 (September 30, 2010 – 50.4%; December 31, 2009 – 59.3%). Subsequent to year-end, the Trust deployed cash on hand and assumed \$210 million of debt and is now operating at a debt level of 54%.

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.dundeeit.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 14.5 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.dundeeit.com.

FOOTNOTES

- (1) NOI – rental property operating revenue less rental property operating expenses excluding 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.

- 30 -

For further information, please contact:

Michael J. Cooper
Vice Chairman and
Chief Executive Officer
(416) 365-5145
mcooper@dundeereit.com

J. Michael Knowlton
President and
Chief Operating Officer
(416) 365-2325
mknowlton@dundeereit.com

Mario Barrafato
Senior Vice-President and
Chief Financial Officer
(416) 365-4132
mbarrafato@dundeereit.com