



## DUNDEE REIT COMPLETES OVER-ALLOTMENT OPTION AND UPDATES ON ACQUISITION STRATEGY

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**TORONTO, JUNE 17, 2010, DUNDEE REIT (TSX: D.UN)** announced today the closing of the issuance of an additional 615,000 REIT Units, Series A (“Units”) at a price of \$24.40 per Unit for gross proceeds of \$15,006,000. The issuance was pursuant to the exercise by the underwriters of their over-allotment option with respect to Dundee REIT’s recently completed offering of 4,100,000 Units on June 2, 2010. The exercise of the over-allotment option increases the total gross proceeds of the offering to \$115,046,000.

The net proceeds of the offering will be used for funding acquisitions which have been identified, as well as for future acquisitions and general trust purposes.

The Trust also provided an update on its acquisition strategy. Since Dundee REIT commenced its acquisition program in September 2009, it has completed approximately \$539.5 million in acquisitions, adding over 2.5 million square feet of mainly office properties to its portfolio. In addition, the REIT has another \$190.9 million of properties under contract and in its acquisition pipeline.

The acquisition program reflects Dundee REIT’s strategy to grow its portfolio with high quality assets and to once again achieve greater geographic diversification of its assets across Canada. The acquired properties are a great fit with the REIT’s existing portfolio and effectively re-establish a presence in familiar markets. The following table provides an overview of these acquisitions:

Location	Property Type	Approx. GLA (sq. ft.)	Purchase Price (\$millions)	Closing Date	Cap Rate
720 Bay Street, Toronto (remaining 50% interest)	Office	123,872	\$ 25.9	September 1, 2009	
1125-1145 Innovation Drive, Ottawa	Office	118,653	16.7	December 16, 2009	
6655-6725 Airport Road, Mississauga	Office	329,728	50.6	December 18, 2009	
2645 Skymark Avenue, Mississauga	Office	142,487	14.9	December 30, 2009	
Gateway Office Park, Ottawa	Office	120,600	14.7	December 30, 2009	
Adelaide Place, Toronto	Office	654,249	217.4	January 18, 2010	
Aviva Corporate Centre, Toronto	Office	436,704	45.9	February 10, 2010	
10130 – 103 <sup>rd</sup> Street, Edmonton	Office	261,581	90.9	April 16, 2010	
2340 St. Laurent Blvd., Ottawa	Industrial	114,724	11.1	April, 21, 2010	
Financial Building, Regina	Office	65,764	14.0	May 4, 2010	
30 Eglinton Avenue West, Mississauga	Office	164,926	37.4	May 31, 2010	
<b>Total Closed</b>		<b>2,533,288</b>	<b>\$ 539.5</b>		<b>8.0%</b>
60 Columbia Way and 625 Cochrane Dr., Markham	Office	317,419	60.8	Q2 2010	
Acquisition pipeline (Toronto & Montréal)	Office/industrial	1,539,641	130.1	Q3 2010	
<b>Total Firm and Pipeline</b>		<b>1,857,060</b>	<b>\$ 190.9</b>		<b>8.9%</b>
<b>TOTAL CLOSED, UNDER CONTRACT &amp; PIPELINE</b>		<b>4,390,348</b>	<b>\$ 730.4</b>		<b>8.2%</b>

The properties acquired since September 2009 had, upon closing, an average occupancy rate of 97%, an average remaining lease term of more than 5 years and an average in-place net rent of \$14.98 per square foot, significantly below the market rent of \$16.83. Upon completion of the acquisitions detailed above, the proportion of net operating income derived from the Calgary office portfolio will shrink to approximately 34%, down from 54% at Q3 2009. The properties all have strong tenant profiles with three of the new tenants, Aviva, Winners Merchants International and Enbridge Pipelines, now listed amongst the REIT’s top ten tenants based on their contribution to gross revenue.

“These acquisitions demonstrate our commitment to diversify and grow our portfolio, and to bring additional value to our business,” said Michael Cooper, CEO of Dundee REIT. “When we completed the acquisition of Adelaide Place in January, I indicated our expectation to acquire another \$400 million of properties this year. Mid-way through the year, we are just shy of achieving that goal. I’m really excited about what we’ve accomplished so far. We have a track record for growth and we look forward to expanding our portfolio further in the second half of 2010,” said Mr. Cooper.

While expanding its asset base, Dundee has been able to strengthen its balance sheet by lowering its debt-to-gross book value from 59.3% at year-end to 54.7% in the first quarter and build up a pool of unencumbered assets representing an estimated market value of approximately \$200 million. Dundee REIT has completed three equity offerings this year, pursuant to which it has issued 14.8 million units for approximately \$333.7 million. In addition, the trading price of Dundee’s units has increased nearly 19%, from \$20.75 at year-end to \$24.77 as of yesterday’s close, giving Dundee REIT a total market capitalization of approximately \$983 million. Effective March 22, 2010, Dundee REIT was added to the S&P/TSX Composite Index.

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 in Canada. Dundee REIT's portfolio currently consists of approximately 9.1 million square feet of gross leasable area, located across Canada. Dundee REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit [www.dundeereit.com](http://www.dundeereit.com).

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