



DUNDEE REIT CONTINUES TO GROW DIVERSIFIED PORTFOLIO AND REPORTS SOLID Q1 RESULTS

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, MAY 6, 2010 DUNDEE REIT (D.UN-TSX) today posted strong financial results for the quarter ended March 31, 2010. Dundee REIT's management team will discuss the Trust's financial results at its annual meeting, being held today at 4:00 p.m. (EST) at the Toronto Board of Trade, East Ballroom, First Canadian Place, Suite 350, 100 King Street West in Toronto.

In addition, senior management will be hosting a conference tomorrow, May 7, 2010 at 11:00 a.m. (EST). Please dial (416) 340-2216 or 1-866-226-1792 to access the conference call. A taped replay of the call will be available from May 7, 2010 at 1:00 p.m. (EST) to May 21, 2010 at 11:59 p.m. (EST). You may access the replay by dialling 416-695-5800 or 1-800-408-3053 and using passcode 6726500.

Both the annual meeting and conference call will also be webcast. To access the webcasts, please go to Dundee REIT's website at www.dundeereit.com and click on the link for News & Events, then click on Calendar of Events. The webcasts will be archived for 30 days.

HIGHLIGHTS

Strong operations:

- **Occupancy rate rises to 97%**
- **25% growth in net operating income ("NOI")**
- **1% growth in comparative NOI**
- **\$379 million of acquisitions completed in Toronto, Ottawa and Edmonton and Regina in 2010**

Solid financial position:

- **\$219 million of equity raised in Q1 2010**
- **5.65% weighted average interest rate**
- **2.6 times interest coverage ratio**

SELECTED FINANCIAL INFORMATION (unaudited) (\$000's except unit and per unit amounts)	Three Months Ended March 31, 2010	Three Months Ended Dec. 31, 2009	Three Months Ended March 31, 2009
Rental property revenues	\$ 61,010	\$ 50,156	\$ 48,142
Net operating income ("NOI") ⁽¹⁾	37,625	30,791	30,148
Funds from operations ("FFO") ⁽²⁾	22,104	17,363	16,924
Adjusted funds from operations ("AFFO") ⁽³⁾	16,636	13,033	12,290
Book value of rental properties	1,411,150	1,181,058	1,133,681
Debt	1,002,513	857,060	869,077
Per unit data (basic)			
FFO	0.72	0.70	0.81
AFFO	0.54	0.52	0.59
Distributions	0.55	0.55	0.55
Units (period end)			
REIT Units, Series A	31,389,693	21,247,397	17,248,270
REIT Units, Series B	16,316	16,316	16,316
LP Class B Units, Series 1	3,461,324	3,454,188	3,454,188
Total number of units	34,867,333	24,717,901	20,718,774
Occupied and committed space	97.0%	95.4%	95.0%

"We are very pleased with the overall performance of our company and the progress in diversifying our portfolio. Our recent acquisitions are providing a stable cash flow and potential for growth," said Michael Cooper, Chief Executive Officer.

FINANCIAL HIGHLIGHTS

- **Rental properties NOI up 25% to \$37.6 million** – rental properties NOI increased by 25% over the prior year first quarter. Properties acquired at the end of 2009 and in early 2010 were the primary drivers behind this growth.
- **Comparative properties NOI up 1% to \$27.6 million** – comparative NOI increased by 1% over the prior year first quarter, reflecting incremental improvements in both occupancy and rental rates.
- **Funds from operations grew by 31% to \$22.1 million** – overall FFO increased significantly due to acquisitions completed in 2009 and early 2010. On a per unit basis, FFO decreased by 11% to \$0.72 year-over-year, mainly as a result of the dilutive effect of the equity offerings completed in early January and March.
- **Adjusted funds from operations increased by 35% to \$16.6 million** – for the quarter, AFFO increased to \$16.6 million primarily due to acquisitions. On a per unit basis, AFFO decreased by 8%, mainly due to the dilutive impact of the Trust's equity offerings.

OPERATIONAL HIGHLIGHTS

- **Portfolio occupancy rises to 97%** – the overall percentage of occupied and committed space increased to 97.0%. The average in-place net rent remained solid at \$15.22 per square foot (December 31, 2009 - \$15.30). "We continued to be successful in renewing leases with existing tenants and attracting new tenants, leading to an occupancy level not reached since 2007," said Michael Knowlton, President and Chief Operating Officer.

	Occupancy		
	March 31, 2010	Dec. 31, 2009	March 31, 2009
British Columbia	96.2	95.3	95.2
Alberta	94.9	95.2	96.4
Saskatchewan & NWT	99.1	98.7	98.7
Ontario	98.8	99.1	94.9
Total Office	97.0	96.7	96.4
Industrial	97.0	90.6	91.1
Total Portfolio	97.0	95.4	95.0

ACQUISITION HIGHLIGHTS

In the first quarter of 2010, the Trust completed \$263 million of acquisitions, followed by another \$116 million during the month of April.

For the Quarter Ended	Property Type	Interest Acquired (%)	Acquired GLA (sq.ft.)	Occupancy on Acquisition (%)	Purchase Price (in \$ million)	Fair Value of Mortgage Assumed (in \$ million)	Date Acquired
March 31, 2010							
Adelaide Place, Toronto	Office	100	654,249	98	\$ 217.4	\$ -	January 18, 2010
Aviva Corporate Centre, Toronto	Office	100	436,704	99	45.9	30.3	February 10, 2010
Total			1,090,953	98	\$ 263.3	\$ 30.3	

Acquisitions subsequent to quarter-end and acquisitions under contract

Subsequent to quarter end, the Trust purchased Enbridge Place, a 22-storey Class A office building in the financial district of Edmonton. The 264,000 square foot property was acquired for \$90.9 million and is leased to various high-profile tenants, including Enbridge Pipelines, the Government of Alberta and Bell Canada. This acquisition provided a rare opportunity to acquire an institutionally owned office tower in one of Canada's most stable office markets. The Trust also completed the purchase of 2340 St. Laurent Blvd., a 115,000 square foot industrial property in Ottawa for \$ 11.1 million and 2101 Scarth Street, a 65,000 square foot office building in Regina for 14.0 million. In addition, the Trust has under contract \$113 million of office properties in the Greater Toronto Area totalling 558,000 square feet. The acquisitions completed and currently under contract continue to improve the diversification of the Trust's portfolio and help to provide a growing cash flow and sustainable returns.

CAPITAL INITIATIVES

- **New equity issues** – On January 7, 2010, the Trust completed a public offering of 5,520,000 REIT Units, Series A at a price of \$18.75 per unit for gross proceeds of \$103.5 million. On March 16, 2010, the Trust completed another public offering of 3,965,000 REIT Units, Series A, at a price of \$25.25 per unit for gross proceeds of \$100.1 million. On March 26, 2010, an additional 594,750 REIT A Units were issued pursuant to the exercise of the over-allotment option for gross proceeds of \$15.0 million, increasing the equity raised in the first quarter of 2010 to \$218.6 million.
- **Debt** – During the first quarter, the Trust made \$4.5 million of scheduled repayments on mortgages and term debt. Furthermore, the Trust placed \$120.0 of mortgage financing in connection with the acquisition of Adelaide Place at a face rate of 4.795% and assumed a \$31 million mortgage bearing interest at 5.3% in conjunction with the acquisition of Aviva Corporate Centre. These two financings helped to further reduce the overall weighted average interest rate to 5.65% (December 31, 2009 – 5.75%). The interest coverage ratio increased to 2.6 times (December 31, 2009 – 2.3 times) and the Trust further reduced its conservative level of debt-to-gross book value to 54.7% (December 31, 2009 – 59.3%).

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 8.8 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.dundeereit.com.

FOOTNOTES

- (1) NOI – rental property revenues less operating expenses, excluding redevelopment and discontinued operations.
- (2) FFO - net income, adjusted for future income tax, depreciation and amortization, gain 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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