



## DUNDEE REIT POSTS ANOTHER QUARTER OF COMPARATIVE NOI GROWTH AND EXCEEDS MARKET CAP OF \$1.3 BILLION

*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, NOVEMBER 2, 2010 DUNDEE REIT (D.UN-TSX)** today posted strong financial results for the quarter ended September 30, 2010. Dundee REIT's management team will be holding a conference call tomorrow, November 3 at 11:00 a.m. (ET) to discuss the results. To access the conference call, please dial (416) 340-8018 in Toronto and overseas or 1-866-223-7781 elsewhere in Canada and the United States. A taped replay of the call will be available from November 3, 2010 at 1:00 p.m. (ET) to November 19, 2010 at 11:59 p.m. (ET). Please dial 416-695-5800 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](http://www.dundeereit.com).

### HIGHLIGHTS

#### Strong operations:

- **Occupancy rate increased to 97.1%**
- **50% growth in net operating income ("NOI")**
- **2% increase in comparative NOI with growth in each geographic region**
- **\$676 million of acquisitions completed year-to-date in Toronto, Ottawa, Montréal, Halifax, Regina and Edmonton with another \$134 million currently in the pipeline**

#### Solid financial position:

- **\$478 million of equity raised in 2010**
- **5.63% weighted average interest rate**
- **2.7 times interest coverage ratio**
- **Debt-to-gross book value reduced to 50.4%**

<b>SELECTED FINANCIAL INFORMATION</b> (unaudited) (\$000's except unit and per unit amounts)	<b>Three Months Ended Sept. 30, 2010</b>	Three Months Ended June 30, 2010	Three Months Ended Sept. 30, 2009	<b>Nine Months Ended Sept. 30, 2010</b>	Nine Months Ended Sept. 30, 2009
Rental property revenues	<b>\$ 72,806</b>	\$ 64,374	\$47,398	<b>\$198,190</b>	\$141,927
Net operating income ("NOI") <sup>(1)</sup>	<b>44,790</b>	41,499	29,847	<b>123,914</b>	90,163
Funds from operations ("FFO") <sup>(2)</sup>	<b>27,532</b>	25,054	16,209	<b>74,690</b>	50,271
Adjusted funds from operations ("AFFO") <sup>(3)</sup>	<b>21,590</b>	20,101	11,747	<b>58,327</b>	36,750
Book value of rental properties	<b>1,734,125</b>	1,602,757	1,118,264		
Debt	<b>1,105,752</b>	1,044,077	840,377		
<b>Per unit data (basic)</b>					
FFO	<b>0.66</b>	0.69	0.74	<b>2.06</b>	2.36
AFFO	<b>0.52</b>	0.55	0.54	<b>1.61</b>	1.73
Distributions	<b>0.55</b>	0.55	0.55	<b>1.65</b>	1.65
<b>Units (period end)</b>					
REIT Units, Series A	<b>41,949,024</b>	36,194,611	21,204,815		
REIT Units, Series B	<b>16,316</b>	16,316	16,316		
LP Class B Units, Series 1	<b>3,475,496</b>	3,468,469	3,454,188		
Total number of units	<b>45,440,836</b>	39,679,396	24,675,319		
<b>Occupied and committed space</b>	<b>97.1%</b>	96.6%	94.9%		

"We are very pleased with our accomplishments this year. We have significantly increased the size and diversification of Dundee REIT's portfolio and our operations remain strong with rising occupancy rates in our overall portfolio as well as our comparative properties. Our market cap has exceeded 1.3 billion and our stock price has increased more than 40% in 2010 alone," said Michael Cooper, Chief Executive Officer.

## FINANCIAL HIGHLIGHTS

- **Rental properties NOI up 50% to \$44.8 million** – rental properties NOI increased by 50% over the prior year third quarter. Properties acquired at the end of 2009 and in 2010 were the primary drivers of this growth.
- **Comparative properties NOI up 2% to \$27.5 million** – comparative NOI increased by 2% over the prior year third quarter, reflecting improvements in every geographic region and highlighting the strength of the Trust's portfolio and its operations team.
- **Adjusted funds from operations increased by 84% to \$21.6 million** – for the quarter, AFFO increased to \$21.6 million from \$11.7 million in the prior year, primarily due to acquisitions. On a per unit basis, AFFO decreased by 4% compared to the third quarter of 2009, mainly due to carrying cash on the Trust's balance sheet. Once the cash is deployed, AFFO will exceed distributions.

## OPERATIONAL HIGHLIGHTS

- **Portfolio occupancy increased to 97.1%** – the overall percentage of occupied and committed space increased to 97.1% compared to 94.9% a year ago. Comparative occupancy also increased to 96.5% from 95.3% in September 2009.

	Occupancy		
	Sept. 30, 2010	Dec. 31, 2009	Sept. 30, 2009
Office			
British Columbia	96.5	95.3	93.5
Alberta	94.9	95.2	95.1
Saskatchewan & NWT	97.5	98.7	99.3
Ontario	98.0	99.1	96.4
Total Office	96.6	96.7	95.9
Total Industrial	98.5	90.6	92.0
Total Portfolio	97.1	95.4	94.9

## ACQUISITION HIGHLIGHTS

Location	Property Type	Approx. GLA (sq. ft.)	Purchase Price (\$millions)	Closing Date	Cap Rate
Adelaide Place, Toronto	Office	654,249	\$ 217.5	January 18, 2010	
Aviva Corporate Centre, Toronto	Office/Redevelopment	436,704	45.9	February 10, 2010	
10130 - 103 <sup>rd</sup> Street, Edmonton	Office	265,625	90.0	April 16, 2010	
2340 St. Laurent Blvd., Ottawa	Industrial	114,724	11.3	April, 26, 2010	
4915 - 52 Street, Yellowknife	Redevelopment		0.7	April 30, 2010	
Financial Building, Regina	Office	65,763	14.2	May 4, 2010	
30 Eglinton Avenue West, Mississauga	Office	164,987	38.5	May 31, 2010	
625 Cochrane Drive, Markham	Office	161,997	29.9	June 18, 2010	
Valleywood Corporate Centre, Markham	Office	154,116	31.7	June 18, 2010	
275 Wellington Street East, Aurora	Industrial	317,000	25.4	July 30, 2010	
8000 Av Blaise-Pascal, Montréal	Industrial	206,305	11.3	July 30, 2010	
6509 Airport Road, Mississauga	Office	60,000	12.3	August 3, 2010	
3035 Orlando Drive, Mississauga	Office	16,754	2.4	August 3, 2010	
2075 Kennedy Road, Toronto	Office	201,730	31.8	August 12, 2010	
1421 Rue Ampère, Boucherville	Industrial	457,875	29.4	September 2, 2010	
1313 Autoroute Chomedey, Laval	Industrial	184,493	12.7	September 2, 2010	
150 Metcalfe Street, Ottawa	Office	109,374	34.5	September 16, 2010	
<b>Total Closed in Q1 – Q3</b>		<b>3,571,696</b>	<b>\$ 639.5</b>		<b>7.9%</b>
Acquisitions closed subsequent to quarter-end		313,000	36.1		
Acquisitions under contract and pipeline		668,000	134.1		
<b>TOTAL CLOSED, UNDER CONTRACT &amp; PIPELINE</b>		<b>4,552,696</b>	<b>\$ 809.7</b>		<b>7.8%</b>

In the first nine months of 2010, the Trust completed \$640 million of acquisitions, followed by another \$170 million closed or under contract subsequent to the end of the third quarter. The properties the Trust acquired have strong tenant profiles, average in-place net rents below market rents and will further enhance the diversification of Dundee REIT's portfolio.

"We are pleased that our acquisition strategy continues to have a very positive impact on our company overall. With \$676 million of acquisitions closed year-to-date, the enterprise value of our business has reached approximately \$2.4 billion and our market cap exceeds \$1.3 billion, making our stock more attractive to a broader range of investors," said Michael Cooper, Chief Executive Officer.

## CAPITAL INITIATIVES

- **New equity issues** – On September 2, 2010, the Trust completed its fourth equity offering in 2010 and issued 5,669,500 REIT A Units at a price of \$25.40 per unit for gross proceeds of \$144.0 million, increasing the equity raised in 2010 to over \$478 million.
- **Debt** – During the quarter, the Trust placed \$67.8 million of new mortgages at an average interest rate of 5.11%, further reducing the Trust's overall weighted average interest rate to 5.63% (June 30, 2010 – 5.66%; December 31, 2009 – 5.75%) and its interest coverage ratio remains unchanged at 2.7 times (June 30, 2010 – 2.7 times; December 31, 2009 – 2.3 times). The Trust further lowered its conservative level of debt-to-gross book value to 50.4% (June 30, 2010 – 52.5%; December 31, 2009 – 59.3%) and its net debt to net enterprise value to 43.8%.

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](http://www.dundeereit.com) and on [www.sedar.com](http://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 11.2 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](http://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](http://www.dundeereit.com).*

For further information, please contact:

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

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

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