



DUNDEE REIT REPORTS STRONG Q3 2011 RESULTS DRIVEN BY ACCRETIVE ACQUISITIONS

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 7, 2011 DUNDEE REIT (D.UN-TSX) today posted strong financial results for the three and nine months ended September 30, 2011, evidencing the success of the Trusts acquisition strategy and the strength of its operations.

HIGHLIGHTS

- **\$1.0 billion of acquisitions completed in Q3; \$1.5 billion completed year-to-date**
- **\$505 million new mortgage financing at 3.96% with an average 7-year term**
- **13% increase in per unit funds from operations (“FFO”) over Q3 2010, and 6% over Q2 2011**
- **11.5% increase in per unit adjusted funds from operations (“AFFO”) over Q3 2010, and 4% over Q2 2011**
- **Weighted average interest rate declined to 4.96% (5.3% - Q2 2011, 5.6% - Q3 2010)**
- **Improved geographic diversification: 32% of net operating income (“NOI”) derived from Toronto and 30% from Calgary**
- **Average in-place rents approximately 7% below estimated market rents**
- **Occupancy stable at 95.8%**
- **53% debt-to-IFRS book value; 2.6x interest coverage**
- **Increase in market cap to \$2.2 billion and enterprise value of \$4.4 billion**

SELECTED FINANCIAL INFORMATION

(unaudited) (\$000's except unit and per unit amounts)	Three Months Ended			Nine Months Ended	
	September 30, 2011	June 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Investment properties revenue ⁽¹⁾		\$			
	118,466	95,556	\$ 69,936	\$ 305,027	\$ 189,492
Net operating income (“NOI”) ⁽²⁾	70,639	58,323	41,920	182,994	114,896
Funds from operations (“FFO”) ⁽³⁾	42,832	35,491	24,780	111,188	65,912
Adjusted funds from operations (“AFFO”) ⁽⁴⁾	36,580	31,286	21,590	96,629	58,327
Asset value of investment properties and equity accounted investments	4,201,767	3,138,782	2,107,037		
Debt ⁽¹⁾	2,273,376	1,643,753	1,105,752		
Per unit data (basic)					
FFO	0.68	0.64	0.60	1.95	1.82
AFFO	0.58	0.56	0.52	1.69	1.61
Distributions	0.55	0.55	0.55	1.65	1.65
Units (period end)					
REIT Units, Series A	61,574,976				
REIT Units, Series B	16,316				
LP Class B Units, Series 1	3,499,953				
TOTAL	65,091,245				
Occupied and committed space	95.8%	96.5%	97.1%		

“The acquisition of the Blackstone portfolio and 700 de la Gauchetière, the fourth largest building in Montréal, increased our asset base by over 30% and resulted in our largest single-quarter increase in AFFO attributable to acquisitions,” said Michael Cooper, Chief Executive Officer. “It’s been a great year. We have strengthened our geographic diversification as well as our presence in central business districts. And, we have increased our market cap by 62% while increasing per unit AFFO by over 11%.” added Mr. Cooper.

Senior management will be hosting a conference call to discuss the results tomorrow, Tuesday, November 8, 2011 at 9:00 a.m. (ET). To access the call, please dial: (416) 340-8530 or toll free at 1-877-440-9795. A taped replay of the call will be available for 30 days by dialling (905) 694-9451 and using passcode 8327075. To access the conference call via webcast, please go to Dundee REIT's website at ww.dundeereit.com and click on the link for News & Events, then click on Calendar of Events. The webcast will be archived for 30 days.

FINANCIAL HIGHLIGHTS

- **Net operating income up 69% to \$70.6 million** – NOI increased by \$28.7 million over Q3 2010, primarily reflecting a \$39.2 million contribution from acquisitions as well as a \$0.1 million increase in contribution from the industrial portfolio. Comparative NOI was down by \$0.4 million, or less than 1%, as a result of leases in Calgary rolling over from higher in-place rents to current market rents, offset by a \$0.1 million, or 5% increase in the industrial portfolio as a result of a tenant expansion. Quarter-over-quarter, comparable NOI remained stable.
- **Funds from operations per unit up 13% to \$0.68** – FFO increased by \$18.0 million or 73% over Q3 2010, mainly reflecting the contribution from acquisitions. On a per unit basis, FFO was up 13% to \$0.68 over Q3 2010, also reflecting the impact of accretive acquisitions as well as comparative property growth.
- **Adjusted funds from operations per unit up 11.5% to \$0.58** – AFFO increased by \$15.0 million or 69% over Q3 2010, primarily due to acquisitions. On a per unit basis, AFFO increased by nearly 11.5%, reflecting accretive acquisitions.

ACQUISITION HIGHLIGHTS

During the quarter, Dundee REIT completed over \$1.0 billion of acquisitions, including the 24-property, 2.7 million square foot Blackstone Portfolio and the 1.0 million square foot Class A office property in downtown Montreal. Year-to-date, Dundee REIT has completed \$1.5 billion of acquisitions, adding more than 6.5 million square feet of properties to its portfolio. In the past two years the Trust has added \$2.6 billion of properties to its portfolio, 70% of which are in very desirable locations within central business districts.

Acquisitions	Property type	Approx. GLA (sq. ft.)	Purchase price (\$000's) ⁽¹⁾	Date	Cap rate ⁽²⁾
Saskatoon Square, Saskatoon, SK	office	209,593	\$ 50,000	January 4, 2011	
400 Cumberland Street, Ottawa, ON	office	174,921	38,300	January 17, 2011	
Realex Properties Corp., ON/AB/BC	office/industrial	1,837,277	373,430 ⁽³⁾	February 8, 2011	
55 King Street West, Kitchener, ON	office	124,100	13,000	March 31, 2011	
586 Argus Road, Oakville, ON	office	74,570	16,560	May 2, 2011	
Morgex Building, Edmonton, AB	office	39,750	9,900	May 19, 2011	
Multivesco Portfolio, Gatineau, QC	office/industrial	148,198	15,535	June 9, 2011	
Closed in Q1 & Q2		2,608,409	516,725		7.8%
700 de la Gauchetière, Montréal, QC	office	987,706	277,750	July 11, 2011	
13888 Wireless Way, Richmond, BC	office	116,530	31,800	July 12, 2011	
81 Wright and 170 Joseph Zatzman, Halifax, NS	industrial	109,737	7,350	July 27, 2011	
Blackstone Portfolio, ON, AB	office	2,661,914	689,767	August 15, 2011	
Closed in Q3		3,875,887	\$ 1,006,667		6.8%
Under contract:					
8100 Granville Ave., Richmond, BC		94,646	23,800		
Total closed and under contract in 2011		6,578,942	1,547,192		7.1%

(1) Purchase prices exclude transaction costs

(2) Cap rates are based on year-one NOI and exclude management income

(3) Investment property value on Realex Properties Corp. share acquisition

OPERATIONAL HIGHLIGHTS

Portfolio occupancy strong at 95.8% – the overall percentage of occupied and committed space remained strong at 95.8% but down from prior quarter due to acquisitions completed with a 94% average occupancy rate (June 30, 2011 – 96.5%; September 30, 2010 – 97.1%). On a comparative property basis, occupancy softened slightly quarter-over-quarter with an improvement in the comparative office portfolio being offset by a decrease in the industrial portfolio.

In-place rents increased on a total portfolio basis as well as on a comparative property basis. In addition, average in-place rents remain approximately 7% below estimated market rents, providing an opportunity to capture increases through leasing activity. Average in-place rents were \$14.96 per square foot up from \$14.37 at June 30, 2011 (December 31, 2010 - \$14.29, September 30, 2010 - \$14.49). The Calgary market continues to strengthen as demonstrated by increasing market rental rates. Throughout the remainder of 2011, approximately 573,347 square feet of space will expire, of which 244,542 square feet or 43% has already been committed.

	Total portfolio occupancy		Comparative properties occupancy ⁽²⁾	
	September 30, 2011 (%)	June 30, 2011 (%)	September 30, 2011 (%)	June 30, 2011 (%)
Office				
Western Canada	97.0	95.4	96.9	95.4
Calgary	95.4	96.4	96.0	96.4
Toronto	95.0	96.1	95.5	96.1
Eastern Canada	96.5	97.5	98.4	97.5
Total office	95.7	96.1	96.2	96.1
Industrial				
Western Canada	95.1	99.5	95.1	99.5
Calgary	94.7	94.9	94.7	94.9
Toronto	93.6	100.0	93.6	100.0
Eastern Canada	98.8	99.4	98.8	99.4
Total industrial	96.1	97.9	96.0	97.9
Overall⁽¹⁾	95.8	96.5	96.2	96.5

(1) Excludes redevelopment properties and discontinued properties.

(2) Comparative properties include all properties owned by the Trust as of June 30, 2011.

CAPITAL INITIATIVES

- **New equity issues** – On August 15, 2011, Dundee REIT completed a public offering and issued 5,037,000 REIT A Units at a price of \$32.40 per unit for gross proceeds of \$163.2 million.
- **Debt** – During the third quarter, the Trust secured \$317 million of new mortgage financing with an 8.8-year average term to maturity and a weighted average interest rate of 4.4%, and \$134.5 million in assumed mortgages on property acquisitions at an average rate of 3.67% and with an average term to maturity of 3.5 years. In addition, the Trust entered into a \$188 million 5-year term loan facility to help finance the Blackstone Portfolio and has entered into two interest rate swaps to fix the interest payment at 3.5% for a notional value of \$133 million over five years and 3.0% for a notional value of \$55 million over three years. As a result, the Trust's overall weighted average interest rate declined to 4.96% (June 30, 2011 - 5.30%; September 30, 2010 – 5.63%) and extended the term to maturity to 5.5 years (June 30, 2011 – 5.3 years; September 30, 2010 – 4.7 years).

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 18.9 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) Investment properties revenue includes revenue from equity accounted investments and debt includes debt related to equity accounted investments.
- (2) NOI – investment property revenues less operating expenses, excluding redevelopment and income from disposed properties.
- (3) FFO - net income, adjusted for fair value adjustments on investment property and financial instruments, gain on sale, and amortization of equipment.
- (4) AFFO – FFO adjusted for amortization of debt costs, deferred unit compensation expense, straight line rent and 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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