DUNDEE REIT SEPTEMBER 30, 2004 FINANCIAL RESULTS

FOR IMMEDIATE RELEASE

Toronto, November 11, 2004, DUNDEE REIT (D.UN-TSX) today reported its financial results for the quarter ended, September 30, 2004.

SELECTED FINANCIAL INFORMATION (unaudited) ($000's except unit and per unit amounts)	**Three Months Ended September 30, 2004**	**Three Months Ended September 30, 2003**
Rental property revenues	$ 48,072	$ 34,986
Net operating income ("NOI") [(1)]	27,044	18,821
Funds from operations ("FFO") [(2)]	15,568	10,239
FFO excluding straight-line rent	14,428	10,239
Net income	7,302	6,282
Distributable income [(3)]	13,459	10,459
Book value of rental properties	1,062,962	915,050
Debt	695,309	579,168
Debt-to-gross book value	55.8%	55.5%
Per unit data		
FFO	0.64	0.63
FFO (excluding straight-line rent)	0.59	0.63
Net income	0.30	0.38
Distributable income	0.55	0.64
Distributions	0.55	0.55
Units		
REIT Units, Series A outstanding	16,776,929	9,433,671
LP Class B Units, Series 1 outstanding	7,745,994	7,029,252
Total number of units outstanding	24,522,923	16,462,923
Occupancy rate	94.3%	

Michael Cooper, President and Chief Executive Officer and Michael Knowlton, Executive Vice-President and Chief Financial Officer will be holding a conference call to discuss the results on Monday, November 15, 2004 at 10:00 a.m. (ET). To access the conference call please dial (416) 620-5690 in Toronto and overseas or 1-800-289-6406 elsewhere in Canada and the United States. A taped replay of the call will be available from November 15, 2004 at noon (ET) to November 22, 2004 at 11:59 p.m. (ET). Please dial (416) 626-4100 and enter pass code 21213061.

FINANCIAL HIGHLIGHTS

- **Revenue up $13.1 million or 37% to $48.1 million** - Increased revenue from rental properties on the three-month basis mainly reflects the impact of acquisitions completed in 2003 and 2004, which contributed $12.5 million.
- **NOI up $8.2 million or 44% to $27.0 million** – Increased NOI from rental properties on the three-month basis reflects acquisitions completed in 2003 and in 2004. On a same store basis, NOI decreased by $0.7 largely as a result of increased vacancy in the Toronto and Montréal office portfolios as well as a decreased contribution from our retail asset in the U.S. stemming from the appreciation of the Canadian dollar versus its U.S. counterpart.

- **FFO excluding straight-line rent increased $4.2 million or 41% to $14.4 million** – The significant growth in FFO is largely the result of acquisitions completed over the past three quarters as well as improved occupancy rates in Western Canada. Including the impact of straight-line rent, FFO increased by $5.3 million or 52% to $15.6 million. FFO on a per unit basis is $0.59 (including straight-line rent - $0.64).
- **Distributable income ("DI") was $13.5 million** – During the three-month period, Dundee REIT generated $13.5 million of distributable income, representing $0.55 per REIT Unit, Series A. The Trust paid out $0.55 per REIT Unit, Series A.
- **Distribution Reinvestment and Unit Purchase Plan ("DRIP") enrolment is high** – 38% of the total units outstanding were reinvested in the DRIP in connection with the September distribution.

PORTFOLIO

- **Overall percentage of occupied and committed space increased to 94.3% from 94.2% in Q2 and 92.7% at the beginning of the year** - Dundee REIT's portfolio remains well leased. Occupancy across the Trust's office portfolio was 94.3% (June 30, 2004 – 94.6%, December 31, 2003 – 92.4%), the stabilized industrial portfolio was 94.4% (June 30, 2004 – 94.1%, December 31, 2003 – 93.1%), and retail was 92.9% (June 30, 2004 – 92.8%, December 31, 2003 – 92.5%).
- **Net increase in occupied space** - During the quarter leases representing approximately 337,000 square feet matured, we received a termination payment with respect to 65,000 square feet and approximately 414,000 square feet of new leases or renewals were completed for a net increase in occupied space of 7,000 square feet. During the remainder of 2004, approximately 557,000 square feet of leases will mature.
- **Overall average in-place net rent is $9.17** – At September 30, 2004, average in-place rents in our office, industrial and retail portfolios were $14.40, $5.77 and $9.92 per square foot respectively (June 30, 2004 - $14.42, $5.75, $10.32 respectively and $9.21 overall).

OPERATIONAL HIGHLIGHTS

Disposition Activity

An important component of our strategy includes the continuous and active analysis of the performance of our properties - identifying strengths and weaknesses of individual properties and our portfolio as a whole; identifying properties for capital improvements or properties for disposal that no longer fit with our investment strategy.

- **Sold 2000 rue Halpern, Montréal** – On July 22, 2004 the Trust completed the sale of its 20% interest in 2000 rue Halpern, a 527,000 square foot single tenant industrial warehouse in Montréal, Québec, Ontario for approximately $3.4 million. The proceeds were used to retire approximately $2.5 million of debt and the Trust recorded a net gain of approximately $0.4 million. The Trust took advantage of this opportunity to sell the property to the existing sub-tenant at a favourable price. This asset was held by the Trust in a co-ownership agreement by which the Trust had certain buy-sell rights. The sale was consistent with our long-term asset strategy.
- **2301 and 2311 Royal Windsor Drive, Toronto under contract for sale** – Subsequent to quarter-end, the Trust agreed to sell its 25% interest in these two industrial buildings, totalling 204,000 square feet. The Trust's share of the proceeds will be approximately $2.3 million, which will be used to retire outstanding debt relating to the properties. The transaction is scheduled to close before year-end.
- **Northgate Mall, Regina, Saskatchewan under contract for sale –** In the second quarter, the Trust announced that Northgate Mall, a 331,000 square foot regional mall in Regina, Saskatchewan, was under contract for sale. The transaction is expected to close by year-end. On closing, the Trust will receive proceeds of approximately $44.8 million and will use approximately $35.0 million to retire outstanding debt.

OUTLOOK

The leasing process continues to be challenging. New space becomes available in our portfolio every quarter and, should the market improve, we will benefit as future space is leased. As always, waiting for the markets to improve cannot make up the cost of holding vacant space, consequently, we continue to do everything that we can to lease space at the market price.

In the near term, we anticipate tenant inducement spending will remain high and rental rates will be flat in most markets. We believe the operating environment is poised to improve from where we are now. We believed this to be true two years ago as well, but with growth in the economy over the last couple of years, we think the market is now closer to improving fundamentals that will enhance our results but we will likely not realize the benefits until 2005.

Our portfolio is well leased and our assets are better now than ever before. We have a strong business and are regarded as a credible participant in just about any real estate transaction. We would like to continue to grow and refine our business model but remain patient and focused until the timing is right when we can be more creative in our growth and in adding further value to our business.

Dundee REIT is an unincorporated, open-ended real estate investment trust. We are a provider of high quality, affordable business premises. We focus on owning, acquiring, leasing and managing mid-sized urban and suburban office and industrial properties in Canada. Our diversified portfolio consists of approximately 13.2 million square feet of gross leasable area, located primarily in our target markets of Toronto, Ottawa, Montréal, Calgary and Edmonton. Our portfolio is well diversified by asset type, geographic location and tenant mix. For more information, please visit www.dundeereit.com.

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.

FOOTNOTES

(1) NOI - revenue less operating expenses.

(2) FFO - net income, adjusted for future income tax, depreciation and amortization, and gain (loss) on sale and provision for impairment in value of assets.

(3) Distributable income is not a measure defined by generally accepted accounting principles and therefore may not be comparable to similar measures presented by other real estate investment trusts. Distributable income is defined in our Declaration of Trust.

NOI and FFO 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 and companies.

All statements in this press release that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent Dundee Real Estate Investment Trust's intentions, plans, expectations, and beliefs, and are subject to risks, uncertainties, and other factors, of which many are beyond the control of the Trust. These factors could cause actual results to differ materially from such forward-looking statements. Dundee Real Estate Investment Trust disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

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