



DUNDEE REIT POSTS INCREASED OCCUPANCY

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 3, 2009 DUNDEE REIT (D.UN-TSX) today posted its financial results for the period ended September 30, 2009. Dundee REIT's management team will be holding a conference call to discuss the results on Wednesday, November 4th at 9:00 a.m. (ET). To access the conference call, please dial (416) 695-7848 in Toronto and overseas or 1-800-766-6630 elsewhere in Canada and the United States. A taped replay of the call will be available from November 4, 2009 at 11:00 a.m. (ET) to November 18, 2009 at 11:59 p.m. (ET). Please dial 416-695-5800 or 1-800-408-3053 and use passcode 6726500 to access the replay. The call will also be available via webcast at www.dundeereit.com.

HIGHLIGHTS

- Q3 rental property revenues up 3% over Q3 2008 to \$47.7 million
- Comparative properties net operating income ("NOI") up 4% to \$24.4 million
- Q3 adjusted funds from operations ("AFFO") per unit up 8% to \$0.54
- Occupancy remains high at 94.9%
- Quarter-end weighted average interest rate lowered to 5.75%
- Strong interest coverage ratio of 2.3 times
- Strong balance sheet with \$110 million of cash and an undrawn operating line of \$31 million
- \$140 million of acquisitions under agreement in Toronto and Ottawa

SELECTED FINANCIAL INFORMATION (unaudited) (\$000's except unit and per unit amounts)	Three Months Ended Sept. 30, 2009	Three Months Ended June 30, 2009	Three Months Ended Sept. 30, 2008	Nine Months Ended Sept. 30, 2009	Nine Months Ended Sept. 30, 2008
Rental property revenues	\$ 47,741	\$ 46,906	\$46,341	\$143,105	\$133,119
Net operating income ("NOI") ⁽¹⁾	29,919	30,336	29,070	90,422	84,273
Funds from operations ("FFO") ⁽²⁾	16,209	17,138	15,827	50,271	47,666
Adjusted funds from operations ("AFFO") ⁽³⁾	11,747	12,713	10,716	36,750	32,100
Book value of rental properties	1,118,264	1,111,649	1,145,136		
Debt	840,377	868,522	884,571		
Cash	109,568	79,324	96,493		
Per unit data (basic)					
FFO	0.74	0.82	0.75	2.36	2.24
AFFO	0.54	0.61	0.50	1.73	1.51
Distributions	0.55	0.55	0.55	1.65	1.65
Units (period end)					
REIT Units, Series A	21,204,815	17,301,556	17,068,948		
REIT Units, Series B	16,316	16,316	476,316		
LP Class B Units, Series 1	3,454,188	3,454,188	3,454,189		
Total number of units	24,675,319	20,772,060	20,999,453		
Occupied and committed space	94.9%	94.2%	95.8%		
Office	95.9%	96.0%	97.6%		
Industrial	92.0%	89.3%	90.9%		

"Our portfolio continues to perform very well in what has been a year of many challenges and uncertainties with respect to the economy. While some challenges remain, we are beginning to see some compelling investment opportunities and our outlook is becoming more optimistic," said Michael Cooper, Vice Chairman and Chief Executive Officer.

FINANCIAL HIGHLIGHTS

- **Rental properties NOI up 3% to \$29.9 million** – rental properties NOI increased by 3% over the prior year third quarter. Strong comparative property growth and income generated by properties acquired in 2008 and 2009 were the primary drivers behind this increase. Properties in Saskatchewan and the Northwest Territories, and Ontario contributed 13% and 22%, respectively, to the Trust's NOI growth.
- **Comparative properties NOI up 4% to \$24.4 million** – comparative NOI increased by 4% over the prior year third quarter, reflecting increases in rental rates attained on renewals and contractual rent increases.
- **Funds from operations grew by 2% to \$16.2 million** – on a per unit basis, FFO decreased slightly by 1% to \$0.74 compared to the same period in 2008, mainly as a result of the dilutive effect of the Trust's equity offering completed during the quarter.
- **Adjusted funds from operations increased by 10% to \$11.7 million** – on a per unit basis, AFFO per unit increased by 8% to \$0.54 from \$0.50, primarily due to strong property performance, offset by dilution due to the equity offering.

OPERATIONAL HIGHLIGHTS

- **Portfolio occupancy strong at 94.9%** – the average occupancy rate across the Trust's office portfolio was 95.9%, significantly above the industry average of 90.6%, and occupancy across its industrial portfolio rose to 92.0% from 90.9% in the same period in 2008. The average in-place net rent increased by 5.5% to \$15.72 per square foot compared to the same quarter last year and by 2.7% compared to the fourth quarter of 2008.

"We continue to work closely with existing and prospective tenants, and are pleased to see our efforts rewarded not only with an increase in occupancy levels in the third quarter but also increases in rent," said Michael Knowlton, President and Chief Operating Officer.

	Occupancy			Average In-place Net Rent (per sq. ft.)		
	Sept. 30, 2009	Dec. 31, 2008	Sept.30, 2008	Sept. 30, 2009	Dec. 31, 2008	Sept.30, 2008
Office	95.9%	96.6%	97.6%	\$18.20	\$ 17.94	\$ 17.53
Industrial	92.0%	87.0%	90.9%	7.78	7.35	7.29
Total	94.9%	94.0%	95.8%	15.72	15.30	14.90

ACQUISITION AND DISPOSITION HIGHLIGHTS

On August 31, 2009, Dundee REIT sold two industrial properties in Edmonton, Alberta, for net proceeds of \$14.9 million.

On September 1, 2009, the Trust purchased its partner's 50% interest in 720 Bay Street in Toronto for \$25.9 million inclusive of transaction costs.

Acquisitions under agreement

The Trust has entered into exclusive letter agreements, subject to due diligence and finalizing purchase and sale agreements, to acquire \$140 million of predominantly office properties in Toronto and Ottawa totaling 1.2 million square feet at an overall cap rate of approximately 9.3%.

CAPITAL INITIATIVES

- **New equity issue** – On September 9, 2009, the Trust completed a public offering of 3,350,000 REIT Units, Series A at a price of \$18.35 per unit for gross proceeds of \$61.5 million. On September 29, 2009, the Trust issued an additional 502,500 REIT Units, Series A pursuant to the exercise of an over-allotment option for gross proceeds of approximately \$9.2 million, increasing the total gross proceeds of the offering to approximately \$70.7 million.

- **Debt** – During the third quarter, the Trust made \$3.9 million of scheduled repayments on mortgages and term debt and repaid an additional \$24.3 million upon the maturity of mortgages related to two properties. The Trust now owns four unencumbered properties which may be leveraged to provide additional financing. As a result of various financing activities, the overall weighted average interest rate was further reduced to 5.75% from 5.83% at December 31, 2008 (September 30, 2008 – 5.85%). The year-to-date interest coverage ratio remains strong at 2.3 times (December 31, 2008 – 2.3 times; September 30, 2008 – 2.3 times). The Trust maintained a conservative level of debt-to-gross book value of 58.4% as at September 30, 2009. Excluding the impact of surplus cash, the debt-to-gross book value would further decline to 55.0%.
- **Normal course issuer bid** – On September 23, 2009, the Trust received TSX approval to renew its normal course issuer bid and has the ability to purchase for cancellation up to a maximum of 1,648,026 REIT A Units through the facilities of the TSX. To date, no units have been purchased for cancellation under the current bid.

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.dundereit.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 6.8 million square feet of gross leasable area, located primarily in Western Canada. Dundee REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit www.dundereit.com.

FOOTNOTES

- (1) NOI – rental property operating revenue less rental property operating expenses excluding discontinued operations.
- (2) FFO - net income, adjusted for future income tax, depreciation and amortization, provision for impairment in value of discontinued assets, loss 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.dundereit.com.

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