



DUNDEE REIT COMPLETES SALE OF INDUSTRIAL PROPERTIES

TORONTO, OCTOBER 4, 2012 DUNDEE REIT (TSX:D.UN) today announced that it has completed the sale of 77 industrial properties to Dundee Industrial REIT for a total purchase price of approximately \$575.9 million.

The purchase price for the 77 industrial properties was satisfied by cash consideration of approximately \$136.3 million, the issuance of \$160.3 million of limited partnership units of Dundee Industrial Limited Partnership, which are exchangeable for units of Dundee Industrial REIT, and the assumption of mortgages. Dundee REIT holds an approximate 47.1% interest in Dundee Industrial REIT.

"This sale of these industrial properties provides Dundee REIT with an attractive purchase price for assets that are no longer strategic to our business and also provides us with equity to continue growing our office portfolio and adding assets that will better complement and enhance our business going forward," said Michael Cooper, Chief Executive Officer of Dundee REIT.

Concurrently with the completion of this sale, Dundee REIT acquired its co-owners' interests in nine properties for a total purchase price of approximately \$74.9 million, which was satisfied by the assumption of mortgages and cash consideration of approximately \$31.6 million.

In addition to the sale of this industrial portfolio, management continues to execute on its plan of pruning assets that no longer fit within its strategy of owning and managing high-quality central business district and suburban office properties. Since reporting its second quarter results, Dundee REIT has completed the sale of three suburban office and two retail assets, totalling approximately 275,300 square feet for gross proceeds of approximately \$70.6 million. In addition, it has a variety of other assets totalling approximately 334,900 square feet under contract for sale for estimated proceeds of approximately \$26.1 million.

Dundee REIT is an unincorporated, open-ended real estate investment trust. Dundee REIT is focused on owning, acquiring, leasing and managing well-located, high-quality central business district and suburban office properties. Its portfolio currently comprises approximately 22.4 million square feet of gross leasable area in major urban centres across Canada. Dundee REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit www.dundeereit.com.

This press release may contain forward-looking statements with respect to Dundee REIT and its operations, strategy, financial performance and financial condition. These statements generally can be identified by the use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intend", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Dundee REIT discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in securities or other laws or regulations or the application thereof and the factors described under "Risk Factors" in the Annual Information Form of Dundee REIT, as applicable. The cautionary statements qualify all forward-looking statements attributable to Dundee REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. Except as required by applicable law, Dundee REIT specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

- 30 -

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