



DUNDEE REIT TO ACQUIRE CLASS A OFFICE PROPERTY IN OTTAWA

FOR IMMEDIATE RELEASE

Toronto, October 8, 2003, DUNDEE REIT (D.UN – TSX) today announced it has entered into an agreement to acquire the Palladium Campus, a 229,000 square foot Class A office complex located in suburban Ottawa, Ontario for approximately \$39 million.

The three building complex, completed in 2001, is under long-term lease to three high quality tenants, with all three leases running until 2011. One tenant has a termination right in 2008 subject to providing notice and paying certain penalties.

The most significant tenant is IBM (IBM – NYSE), which occupies 85,555 square feet in the largest building. DRS Technologies (DRS – NYSE), an American defense electronics company, occupies about 63,052 square feet, and Spirent Communications (SPT – LSE), a British network technology company, occupies 80,550 square feet. Total annual contract rent is approximately \$4 million.

The acquisition consists of two stages. The REIT has acquired an interest in a second mortgage in the property and in a second transaction, expected to close by year-end, Dundee REIT will acquire a 100% interest in the property itself and assume the existing first mortgages, in the principal amount of approximately \$31 million and an interest rate of approximately 6.25%. The second stage of the transaction is subject to further negotiation with the holder of the first mortgage.

This transaction is consistent with the REIT's strategy of acquiring high quality office and industrial properties in Canada's largest markets as well as increasing the average rent and lease term while reducing the overall average cost and the average term to maturity of the REIT's debt.

Dundee REIT is an unincorporated, open-ended real estate investment trust. Dundee REIT is a provider of high quality, affordable business premises. Dundee REIT focuses on owning, acquiring, leasing and managing mid-sized urban and suburban office and industrial properties in Canada. The REIT owns a diversified portfolio consisting of over 11.1 million square feet of gross leasable area, located primarily in its target markets of Toronto, Ottawa, Montréal, Calgary and Edmonton. For more information, please visit www.dundeereit.com.

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For further information, please contact:

DUNDEE REAL ESTATE INVESTMENT TRUST

Michael J. Cooper
President and Chief Executive Officer
(416) 365-5145
mcooper@dundeereit.com

Jeff B. Barnes
Executive Vice-President and Chief Financial Officer
(416) 365-3543
jbarnes@dundeereit.com