



DUNDEE REIT ANNOUNCES PRICING OF DUNDEE INDUSTRIAL REIT IPO

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

TORONTO, SEPTEMBER 26, 2012 DUNDEE REIT (TSX:D.UN) and DUNDEE INDUSTRIAL REAL ESTATE INVESTMENT TRUST (“Dundee Industrial REIT”) today announced that a final prospectus has been filed in respect of the initial public offering by Dundee Industrial REIT of 15,500,000 units at a price of \$10.00 per unit (the “Offering Price”) for gross proceeds of \$155.0 million. The offering is being underwritten by a syndicate of underwriters led by TD Securities Inc. Dundee Industrial REIT has granted the underwriters an over-allotment option, exercisable for a period of 30 days following closing, to purchase up to an additional 2,325,000 units which, if exercised, would increase the gross offering size to \$178.2 million. Concurrently with the offering, Dundee Corporation will purchase 1,750,000 units and Michael J. Cooper will purchase 750,000 units, in each case at the Offering Price, for proceeds of \$25.0 million. The offering is scheduled to close on or about October 4, 2012, and is subject to regulatory approval.

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the units under the symbol “DIR.UN”, subject to the fulfillment of all the requirements of the TSX.

Upon closing of the initial public offering, subsidiaries of Dundee REIT will transfer their interests in 77 industrial properties to Dundee Industrial Limited Partnership, a subsidiary of Dundee Industrial REIT, in consideration for an aggregate purchase price of \$575.9 million to be satisfied by the direct and indirect assumption of mortgages, the issuance of \$160.3 million of limited partnership units of Dundee Industrial Limited Partnership, which are exchangeable for units of Dundee Industrial REIT, cash consideration of \$135.7 million derived from a portion of the net proceeds of the public offering and an amount drawn on Dundee Industrial REIT’s credit facility.

Seven of the 77 properties included in the portfolio are currently co-owned with certain limited partnerships that are affiliates of Return on Innovation Capital Ltd. Concurrently with the completion of the initial public offering, a subsidiary of Dundee Industrial REIT will also acquire the co-ownership interests in the seven properties for approximately \$84.0 million to be satisfied by a combination of cash and the assumption of debt. These purchases are conditional on completion of the initial public offering of Dundee Industrial REIT.

Following closing of the initial public offering, Dundee REIT will indirectly hold an approximate 47.1% effective interest in Dundee Industrial REIT (an approximate 44.1% effective interest if the underwriters exercise the over-allotment option in full). Dundee Industrial REIT intends to make monthly cash distributions to its unitholders at a rate of \$0.05625 per unit which are initially expected to provide an annual yield of 6.75%. The first cash distribution, which will be for the period from and including the date of closing of the offering to October 31, 2012, is expected to be paid on November 15, 2012 to unitholders of record on October 31, 2012 and is estimated to be \$0.05081 per unit.

An electronic copy of the final prospectus will be available under Dundee Industrial REIT’s profile at www.sedar.com.

This press release is not an offer of securities for sale in the United States. The units being offered have not been and will not be registered under the United States Securities Act of 1933 and accordingly are not being offered for sale and may not be offered for sale, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of a U.S. person, except pursuant to an exemption from the registration requirements of that Act.

Dundee REIT

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 27.3 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.

Dundee Industrial REIT

Dundee Industrial REIT is proposed to be an unincorporated, open-ended real estate investment trust. Dundee Industrial REIT will own an initial portfolio of primarily light industrial properties comprising approximately 6.0 million square feet of gross leaseable area in key industrial markets across Canada. Its objective is to build upon and grow its portfolio and to provide stable, sustainable and growing distributions to its unitholders.

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 -

For further information, please contact:

Dundee Real Estate Investment Trust

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

Mario Barrafato
Senior Vice-President and Chief Financial Officer
(416) 365-4132
mbarrafato@dundeereit.com

Dundee Industrial Real Estate Investment Trust

Scott Hayes
President and Chief Executive Officer
(416) 365-5265
shayes@dundeeindustrial.com

Mario Barrafato
Chief Financial Officer
(416) 365-4132
mbarrafato@dundeeindustrial.com