



DUNDEE REIT POSTS 11% INCREASE IN Q3 COMPARATIVE NET OPERATING INCOME

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 8, 2007 DUNDEE REIT (D.UN-TSX) today posted strong financial results for the quarter ended September 30, 2007. Dundee REIT's management team will be holding a conference call to discuss the results on Friday, November 9th at 9:00 a.m. (ET). To access the conference call, please dial (416) 641-6125 in Toronto and overseas or 1-866-542-4236 elsewhere in Canada and the United States. A taped replay of the call will be available from November 9, 2007 at 11 a.m. (ET) to November 23, 2007 at 11:59 p.m. (ET). Please dial 416-695-5800 or 1-800-408-3053 and use passcode 3238748 to access the replay. The call will also be available via webcast at www.dundeereit.com.

FINANCIAL HIGHLIGHTS

- Q3 rental property revenues up 34% over Q3 2006 to \$39.6 million
- Q3 net operating income ("NOI") up 36% to \$25.8 million; comparative properties NOI up 11% to \$10.7 million – highest comparative NOI growth since formation of Dundee REIT
- Q3 funds from operations ("FFO") up 9% to \$29.3 million
- FFO per unit up 4% to \$0.77
- Q3 adjusted funds from operations ("AFFO") up 9% to \$22.1 million
- AFFO per unit up 4% to \$0.58
- Occupancy remains high at 97.0%
- Interest coverage ratio of 2.59 times
- \$648.7 million in acquisitions completed year-to-date
- Return of \$1.6 billion to unitholders through the sale of the Eastern Real Estate Portfolio to GE Real Estate ("GE") for \$2.3 billion

| SELECTED FINANCIAL INFORMATION (unaudited) (\$000's except unit and per unit amounts) | Three Months Ended Sept. 30, 2007 | Three Months Ended June 30, 2007 | Three Months Ended Sept. 30, 2006 | Nine Months Ended Sept. 30, 2007 | Nine Months Ended Sept. 30, 2006 |
|---|--|-------------------------------------|--------------------------------------|---|-------------------------------------|
| Rental property revenues | \$ 39,633 | \$ 37,446 | \$ 29,478 | \$ 109,563 | \$ 65,483 |
| Net operating income ("NOI") ⁽¹⁾ | 25,770 | 24,825 | 18,930 | 71,549 | 41,391 |
| Funds from operations ("FFO") ⁽²⁾ | 29,332 | 37,309 | 26,890 | 98,412 | 68,101 |
| Adjusted funds from operations ("AFFO") ⁽³⁾ | 22,079 | 29,182 | 20,169 | 76,430 | 52,450 |
| Book value of rental properties | 947,309 | 2,329,352 | 1,725,611 | | |
| Debt | 595,173 | 1,428,483 | 1,187,380 | | |
| Per unit data (basic) | | | | | |
| FFO | 0.77 | 0.76 | 0.74 | 2.24 | 2.08 |
| AFFO | 0.58 | 0.59 | 0.56 | 1.74 | 1.60 |
| Distributions | 0.55 | 0.55 | 0.55 | 1.65 | 1.65 |
| Units (period end) | | | | | |
| REIT Units, Series A | 17,027,880 | 41,594,536 | 28,964,094 | | |
| REIT Units, Series B | 476,316 | - | - | | |
| LP Class B Units, Series 1 | 3,315,349 | 7,893,688 | 8,834,204 | | |
| Total number of units | 20,819,545 | 49,488,224 | 37,798,298 | | |
| Occupied and committed space | 97.0% | 96.2% | 96.2% | | |

"It is hard to imagine that our business could be in better shape. Our organic growth rate is the highest we have ever had," said Michael Cooper, Vice Chairman and Chief Executive Officer.

FINANCIAL HIGHLIGHTS

- **Rental properties NOI up 36% to \$25.8 million** – rental properties NOI increased by 36% over the prior year third quarter. Acquisitions were the primary driver behind this growth, contributing \$4.8 million to the NOI for the three-month period.
- **Comparative properties NOI up 11% to \$10.7 million** – the 11% growth in comparative properties NOI was the highest ever recorded by the Trust, reflecting occupancy growth and rising rental rates across the portfolio. Comparative NOI increased by 9% for the office portfolio and by 15% for the industrial portfolio.
- **Funds from operations per unit grew by 4% to \$0.77** – on a per unit basis, FFO increased to \$0.77 from \$0.74, primarily due to additional revenue generated by acquisitions as well as growth in occupancy and rising rental rates, offset by the loss of earnings from disposed properties. Total funds from operations grew by 9% to \$29.3 million.
- **Adjusted funds from operations per unit increased by 4% to \$0.58** – total AFFO increased by 9% to \$22.1 million. Improvements in AFFO reflect the impact of acquisitions and the benefits of effectively managing leasing and capital costs.

OPERATIONAL HIGHLIGHTS

- **Portfolio occupancy reaches 97.0%** – the overall percentage of occupied and committed space was 97.0% and the average in-place net rent increased by more than one third to \$13.27 per square foot. Even with this impressive growth in rental rates, in-place rents remain substantially below market rent. “Over the next two years, approximately one third of our space is coming up for renewal. We are confident that we will continue to close the considerable gap between our contract rents and market rents as lease contracts mature.” said Michael Knowlton, President and Chief Operating Officer.

| | Occupancy | | | Average In-place Net Rent (per sq. ft.) | | |
|------------|----------------|---------------|----------------|---|---------------|----------------|
| | Sept. 30, 2007 | Dec. 31, 2006 | Sept. 30, 2006 | Sept. 30, 2007 | Dec. 31, 2006 | Sept. 30, 2006 |
| Office | 98.3% | 97.0% | 96.4% | \$ 16.18 | \$ 13.67 | \$ 13.42 |
| Industrial | 94.0% | 95.6% | 95.9% | 6.56 | 5.47 | 5.40 |
| Total | 97.0% | 96.4% | 96.2% | 13.27 | 10.00 | 9.71 |

ACQUISITION AND DISPOSITION HIGHLIGHTS

During the third quarter of 2007, Dundee REIT acquired \$38.6 million of rental properties. During the first nine months of the year, the Trust has completed \$613.0 million of acquisitions, including \$243.9 million of assets in Western Canada that are part of the Trust’s ongoing portfolio. Acquisitions completed during 2006 and 2007 have increased NOI by approximately \$4.8 million for the three-month period and \$21.8 million for the nine-month period.

| 2007 Acquisitions | Property Type | Interest Acquired | GLA (sq.ft.) | Occupancy on Acquisition | Purchase Price (\$000’s) | Date Acquired |
|--|---------------|-------------------|------------------|--------------------------|--------------------------|------------------|
| 30 and 55 St. Clair Avenue West, Toronto * | Office | 100% | 426,000 | 96% | \$ 110,798 | January 9, 2007 |
| 625 Agnes Street, New Westminster | Office | 100% | 83,000 | 88% | 14,587 | January 24, 2007 |
| Aspen Portfolio, Calgary | Office | 100% | 543,000 | 99% | 172,130 | March 13, 2007 |
| HCI Portfolio, Vaughan, Burlington and Mississauga * | Industrial | 100% | 2,100,000 | 98% | 237,721 | May 1, 2007 |
| 501 Applewood Crescent, Vaughan * | Industrial | 100% | 76,000 | 100% | 6,787 | May 1, 2007 |
| 154 University Avenue, Toronto * | Office | 100% | 67,000 | 100% | 13,784 | May 10, 2007 |
| 4400 Dominion Street, Burnaby | Office | 100% | 91,000 | 93% | 18,637 | June 27, 2007 |
| Airport Corporate Centre, Calgary | Office | 100% | 148,000 | 100% | 38,207 | July 6, 2007 |
| Revenue property, Yellowknife | Office | 100% | - | - | 366 | August 30, 2007 |
| Total | | | 3,534,000 | 98% | \$ 613,017 | |

* Sold to GE

During the quarter, Dundee REIT sold a 16.5 million square foot portfolio of properties located primarily in Ontario, Québec and Newfoundland (the “Eastern Portfolio”) to GE for a total purchase price of approximately \$2.3 billion, including the assumption of liabilities by GE relating to the Eastern Portfolio. The Trust’s operating portfolio now comprises office and industrial properties located primarily in Western Canada.

Acquisitions and dispositions subsequent to quarter-end

Subsequent to quarter-end, the Trust acquired an 89,000 square foot office building located in Calgary for approximately \$35.7 million.

The Trust also sold a 109,000 square foot industrial building located in Calgary to the tenant for approximately \$8.0 million. In addition, Dundee REIT disposed of its interest in two joint venture development projects for proceeds of approximately \$16.8 million. As part of the agreement, the Trust agreed to acquire, upon completion in 2009, a 63,000 square foot office building with a long-term lease to a multi-national tenant, for a purchase price of \$20.8 million.

CAPITAL INITIATIVES

- **\$1.6 billion returned to unitholders; reduction in units outstanding** – On closing of the sale of the Eastern Portfolio to GE, Dundee REIT received cash proceeds of approximately \$1.5 billion, all of which were used to redeem approximately 29.9 million outstanding units for \$47.50 per unit. In addition, GE invested \$165 million and purchased approximately 3.5 million outstanding units at a purchase price of \$47.50 per unit, giving GE an approximate 16% equity interest in Dundee REIT. As a result, a total of 33.4 million issued and outstanding REIT units were acquired, representing approximately 66% of the voting units of the Trust that were then issued and outstanding. Affiliates of Dundee Corporation continue to hold a 16% equity interest in the Trust.
- **Debt** – the Trust continues to benefit from lowering its weighted average interest rate, down 8 basis points during the first nine months to 5.87% from 5.95% at December 31, 2006 (September 30, 2006 – 5.96%) The interest coverage ratio climbed to 2.59 times (December 31, 2006 – 2.46 times; September 30, 2006 – 2.50 times) reflecting the Trust's ability to cover interest expense requirements.
- **Convertible Unsecured Debenture Conversions** – During the nine-month period, the Trust issued 2,695,649 REIT Units, Series A upon the conversion of \$76.8 million of the principal amount of 6.5% and 5.7% debentures. Subsequent to quarter-end, an additional 25,218 REIT Units, Series A were issued upon the conversion of \$0.7 million of the principal amounts of 6.5% and 5.7% debentures.

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 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 6.3 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.dundeereit.com.

FOOTNOTES

- (1) NOI – rental property operating revenue less rental property operating expenses excluding redevelopment properties and discontinued operations.
- (2) FFO - net income, adjusted for future income tax, depreciation and amortization, gain (loss) on sale, internalization of property manager, non-controlling interest 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.dundeereit.com.

- 30 -

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