

6 July 2006

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Dear Sir/Madam

DB RREEF Trust (ASX: DRT)
Market Update - DRT to undertake office development in Washington DC

DB RREEF Funds Management Limited, as responsible entity for DB RREEF Trust (DRT), wishes to provide the following Market Update in relation to undertaking an office development in Washington DC.

For further information, please contact

- Institutional Investors: Tony Dixon (02) 9017 1136
- Retail Investors: Karol O'Reilly (03) 8611 2930

Yours sincerely



Tanya Cox
Company Secretary

6 July 2006

DB RREEF Trust (ASX:DRT)

Market Update - DRT to undertake office development in Washington DC

Background

DB RREEF Funds Management Limited, as responsible entity for DB RREEF Trust ("DRT"), entered into a series of put & call option agreements for the acquisition of five development land sites at the time that the US Industrial joint venture was formed with CalPERS in September 2004.

The first site option was exercised by the Joint Venture (JV) in November 2005, and a \$US17.0 million (A\$23.0 million) project in Medley, Florida is currently underway, due for completion in December 2006. This development will deliver approximately 268,120 square feet of industrial distribution space. While the development is in its early stages of construction, leasing is progressing well with approximately 35% of the space being pre-committed.

Exercise of remaining development land options

The options over the remaining four sites have been exercised, as at 30th June 2006, for a total consideration of \$US13.5 million (A\$18.0 million). Details of the four sites are as follows:

Metropolitan area	Location	Area (Acres)	Price (\$US) m
Sterling, VA	Dulles Town Crossing, Sterling	14.0	\$ 5.1
Ashburn, VA	Beaumeade, Ashburn	10.7	\$ 3.1
Dallas, TX	Plano Parkway, Plano	13.5	\$ 2.0
Dallas, TX	Garland Jupiter, Garland	25.6	\$ 3.3
			\$ 13.5

These acquisitions will be funded using existing debt facilities.

Development at Dulles Town Crossing

The JV has further determined to undertake a development in the Washington D.C./Northern Virginia office market, utilising the Dulles Town Crossing site.

This 14-acre site is located in Sterling, Virginia, at the northeast corner of Atlantic Boulevard and Woodland Road, and is part of Loudoun County, a community which has grown 52 percent during the last five years and now has approx 250,000 residents. The property is approximately one-half mile south of the 1.4 million sqf regional mall - Dulles Town Centre and 5.7 miles from Washington Dulles International Airport.

The development will comprise approximately 220,000 square foot Class A suburban office development in one of the country's fastest growing and most affluent suburban areas. The current site plan features two four level office buildings with a one acre centre landscaped courtyard to connect the two buildings. The property will accommodate 879 surface parking spaces, or a ratio of 4.0 spaces per 1,000 rentable square feet.

Total cost for the development is forecast at approximately \$US52.0 million (A\$70.0 million), with an expected yield on the cost of the development of approximately 8%. The project is expected to receive local authority approval before the end of the year, with construction scheduled for completion in the first half of 2008.

RREEF will provide development management services to DRT, and undertake asset and property management services following completion.



Artists Impression



Site Plan

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