



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
ACQUISITION OF STRATEGIC INFILL PROPERTIES IN MONTREAL AND CALGARY
AND ESTABLISHMENT OF FOURTH INTENSIFICATION JV WITH RIOCAN IN TORONTO**

Toronto, January 20, 2014 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into agreements to purchase the following properties for \$69.2 million:

Address	Total GLA	Office GLA	Retail GLA	Parking Spaces
85 Rue St. Paul, Montreal	79,778	79,778	-	25
The Pilkington Building, 402 - 11 th Avenue S.E., Calgary	48,223	48,223	-	44
The Biscuit Block, 438 - 11 th Avenue S.E., Calgary	54,073	54,073	-	39
	182,074	182,074	-	108

"We continue to find high-quality infill properties that fit squarely within our investment parameters," said Michael Emory, President & CEO. "In addition to being immediately accretive, each of these properties is close to one or more of our existing properties. The Calgary properties form nearly half a city block in the heart of the Warehouse District."

Allied also announced the establishment of a fourth intensification joint venture with RioCan REIT through the acquisition of an undivided 50% interest in 491 College Street and 289 Palmerston Avenue in Toronto. "This is our fourth intensification JV with RioCan," said Mr. Emory. "It will enable both of us to build on the collaborative relationship that has been developed through the College & Manning JV, the King & Portland JV and the Downtown West JV, all of which are progressing well."

The Montreal Property

Located on the northeast corner of Rue St. Paul and Rue St. Sulpice, this property is comprised of 79,778 square feet of GLA, all of which is leased to tenants consistent in character and quality with Allied's tenant base. Built in 1861, the building was renovated and upgraded in 2001.

The Pilkington Building, Calgary

Located on northeast corner of 11th Avenue S.E. and 3th Street S.E., this property is comprised of 48,223 square feet of GLA, all of which is leased to tenants consistent in character and quality with Allied's tenant base, and 44 surface parking spaces. Built in 1913, the building was renovated and upgraded in 2012.

The Biscuit Block, Calgary

Located on northwest corner of 11th Avenue S.E. and 4th Street S.E., this property is comprised of 54,073 square feet of GLA, all of which is leased to tenants consistent in character and quality with Allied's tenant base, nine surface parking spaces and 30 underground parking spaces. Built in 1912, the building was renovated and upgraded in 2013.

Closing and Financing

The acquisitions in Montreal and Calgary are expected to close in February and March of 2014, subject to customary conditions. The purchase price for the three properties represents a capitalization rate of approximately 6.8% applied to the current annual net operating income ("NOI"). The properties will be free and clear of mortgage financing immediately prior closing. Allied plans to place mortgage financing on the properties on or soon after closing and will fund the equity component of the acquisitions with cash-on-hand.

College & Palmerston Joint Venture, Toronto

491 College Street and 289 Palmerston Avenue are comprised of 15,651 square feet of land on the south side of College and the east side of Palmerston. The College portion has 90 feet of frontage and includes a heritage building with just over 10,000 square feet of GLA. The Palmerston portion is separated from the College portion by a public laneway and is currently used for ancillary parking. The property was acquired by Allied and RioCan on a 50/50 basis in late December of 2013 for \$7.7 million without the use of mortgage financing. While currently operating the property for rental purposes, the joint venture intends to intensify it over time by creating a mixed-use office, retail and residential complex, similar in concept to the one contemplated by the College & Manning JV.

Cautionary Statements

This press release may contain forward-looking statements with respect to Allied, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Allied 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, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risk Factors" in Allied's Annual Information Form, which is available at www.sedar.com. These cautionary statements qualify all forward-looking statements attributable to Allied and persons

acting on Allied's behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the parties have no obligation to update such statements.

"Capitalization rate" is not a measure recognized under International Financial Reporting Standards ("IFRS") and does not have any standardized meaning prescribed by IFRS. Capitalization rate is presented in this press release because management of Allied believes that this non-IFRS measure is relevant in interpreting the purchase price of the properties being acquired. Capitalization rate, as computed by Allied, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to capitalization rate reported by such organizations.

NOI is not a measure recognized under IFRS and does not have any standardized meaning prescribed by IFRS. NOI is presented in this press release because management of Allied believes that this non-IFRS measure is relevant in interpreting the purchase price of the property being acquired. NOI, as computed by Allied, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to NOI reported by such organizations.

Allied Properties REIT is a leading owner, manager and developer of urban office environments that enrich experience and enhance profitability for business tenants operating in Canada's major cities. Its objectives are to provide stable and growing cash distributions to unitholders and to maximize unitholder value through effective management and accretive portfolio growth.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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