

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

ALLIED

**ALLIED PROPERTIES REIT ANNOUNCES \$200 MILLION OFFERING OF 3.636%
SERIES C SENIOR UNSECURED DEBENTURES**

Toronto, April 18, 2017 -- Allied Properties REIT (TSX:AP.UN) ("Allied") announced today that it has agreed to issue \$200 million aggregate principal amount of series C senior unsecured debentures (the "Debentures"). The Debentures will bear interest at a rate of 3.636% per annum and will mature on April 21, 2025. The Debentures are being offered on an agency basis by a syndicate of agents co-led by BMO Capital Markets and Scotia Capital Inc. The offering is expected to close on or about April 21, 2017. DBRS Limited has provided Allied with a provisional credit rating of "BBB" (low) with a "Stable" trend relating to the Debentures.

"This reflects our ongoing commitment to the balance sheet and to our unsecured debenture program," said Cecilia Williams, Vice President & CFO. "The eight-year tenor represents progression in attaining longer term financing and fits well into our current debt-maturity schedule."

Allied intends to use the net proceeds from the offering: (a) to repay amounts drawn on Allied's unsecured revolving operating facility used for general capital funding related to Allied's capital improvements, acquisitions and intensification projects; and (b) for general working capital purposes.

The offering is being made pursuant to Allied's base shelf prospectus dated December 15, 2016. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators.

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. Allied's actual results and performance 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. The cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and Allied has no obligation to update such statements.

The Debentures have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Debentures in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Allied Properties REIT is a leading owner, manager and developer of distinctive urban workspace 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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Michael R. Emory
President and Chief Executive Officer
(416) 977-9002
memory@alliedreit.com

Cecilia C. Williams
Vice President and Chief Financial Officer
(416) 977-9002
cwilliams@alliedreit.com