

ALLIED

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST PROVIDES LEASING UPDATE FOR ITS TELECOM AND CLOUD FACILITY IN TORONTO

Toronto - MAY 31, 2017 - Allied Properties REIT (TSX:AP.UN) today provided a leasing update on its telecom and cloud facility in Toronto (the "Facility").

Allied has entered into an agreement with Amazon Web Services Canada, Inc. (AWS) that will make AWS Direct Connect available at the Facility. Commencing May 31, 2017, the Facility will serve as an AWS Direct Connect location in the Greater Toronto Area.

Allied expects a rise to recurring ancillary rental revenue that will be phased in over a six-to-24-month period, in part due to the availability of AWS Direct Connect at the Facility. AWS Direct Connect will utilize the existing infrastructure at the Facility without occupying any of the unleased GLA or requiring additional capital expenditure by Allied. While Allied expects no change to its short-term outlook for 2017, it expects to accelerate the lease-up of the remaining space at the Facility by using AWS Direct Connect, which will become a significant portion of the recurring ancillary rental revenue that Allied projected would be generated by the Facility.

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.

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

Thomas G. Burns
Executive Vice President and Chief Operating Officer
(416) 977-9002
tburns@alliedreit.com

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