

ALLIED

ALLIED ANNOUNCES ACQUISITION IN TORONTO'S ST. LAWRENCE MARKET AREA

Toronto, June 20, 2017 -- Allied Properties Real Estate Investment Trust ("Allied") (TSX:AP.UN) announced today that it has acquired 56 The Esplanade in Toronto (the "Property") for \$60 million. "This is a strategic acquisition for Allied, in that it augments a large assembly we've made over time in the St. Lawrence Market area," said Michael Emory, President and CEO. "It affords us a reasonable current yield, as well as a property-specific intensification opportunity and a larger intensification opportunity that we can pursue in conjunction with 35-49 Front East, the assembly we own to the north of the Property. We do not expect to pursue either intensification opportunity in the near term."

56 The Esplanade

Located on the north side of The Esplanade, the Property is a Class I building situated on 26,261 square feet of land. Built in 1903 for a manufacturer of flour milling equipment, the building on the Property was renovated and retrofitted over the past three decades. It is comprised of 76,112 square feet of GLA that is 98% leased to tenants consistent in character and quality with Allied's tenant base.

The Property will augment Allied's ownership of an already large and strategic assembly in the St. Lawrence Market area, 35-49 Front East (the "Assembly"). The Assembly is comprised of five income-producing properties with historically designated facades and includes 227 feet of uninterrupted frontage on the south side of the street and 39,203 square feet of underlying land. Allied has owned 35-45 Front East since its IPO in 2003, 49 Front East since 2010 and 47 Front East since 2016.

Closing and Financing

The Property was free and clear of mortgage financing on closing. Allied financed the acquisition by utilizing a portion of the proceeds from its most recent unsecured debenture financing. Allied expects the acquisition to be neutral to its FFO per unit at the outset and to become modestly accretive to its FFO per unit during the first five years of ownership.

About Allied

Allied 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 refer to Allied's website at www.alliedreit.com.

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.

For more information, please contact:

Michael Emory, President & CEO
(416) 977-0643
memory@alliedreit.com

Cecilia C. Williams, Vice President & CFO
(416) 977-9002
cwilliams@alliedreit.com