

**RIOCAN AND ALLIED ANNOUNCE SHIFT IN RESIDENTIAL STRATEGY  
AT KING PORTLAND CENTRE**

**Toronto, September 19, 2017** -- RioCan REIT (TSX:REI.UN) and Allied Properties REIT (TSX:AP.UN) today announced that they have finalized plans that will allow the co-owners to improve the return on the development of King Portland Centre. The co-owners had originally intended to develop the residential portion of the project as rental apartments and now intend to sell the residential portion as condominium units.

King Portland Centre is located at the northwest corner of King Street West and Portland Avenue in Toronto's downtown neighbourhood of King West. In addition to the strength of its location, the site is unique, in that it will incorporate the restored heritage structure of 602-604 King West into the property. The project includes four components at 100% as follows:

- Approximately 59,000 square feet of office and retail GLA that is currently income producing from the heritage structure, which is fully occupied;
- Approximately 256,000 square feet of incremental office GLA, which is under development and is 93% pre-leased to Shopify and Indigo;
- Approximately 13,000 square feet of incremental retail GLA fronting on King West; and
- Approximately 133 residential condominium units fronting on Adelaide West at the north side of the project.

The condominium portion is in the early stages of marketing with the units expected to be offered for sale in the fourth quarter of this year and residents taking possession in early 2019. The timing is subject to completion of registration with Tarion Warranty Corporation.

"Our overall investment strategy into rental residential mixed-use developments has not changed. However, in certain circumstances, based on the project's relative size and the strength of the surrounding market for condominium units, we will, as in this case, review our options and shift course if needed to pursue the option that we believe is in the best interest of our partners and unitholders," said Edward Sonshine, CEO of RioCan. "The decision to sell the residential portion as condominium accelerated following the recent regulatory changes to the rental residential market in Ontario. We fully expect that the sale of these

units, that are already under construction, will be very well received in the market and generate significant gains for the venture."

Each of Allied and RioCan owns an undivided 50% interest in King Portland Centre, and on completion Allied will manage the office component and RioCan will manage the retail component.

Construction on the project is underway with completion expected in the third quarter 2018.

#### **Cautionary Statements - Allied Properties REIT**

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](http://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.

#### **Cautionary Statements - RioCan REIT**

This news release contains forward-looking information within the meaning of applicable Canadian securities laws. This information includes, but is not limited to, statements made with respect to the development at King Portland Centre, RioCan's development program and other statements concerning RioCan's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "plan", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. All forward-looking information in this News Release is qualified by these cautionary statements.

Forward-looking information is not a guarantee of future events or performance and, by its nature, is based on RioCan's current estimates

and assumptions, which are subject to numerous risks and uncertainties, as described under "Risks and Uncertainties" in RioCan's Management's Discussion and Analysis for the period ended June 30, 2017 ("MD&A") and the Trust's most recent Annual Information Form, and including that the transactions contemplated herein are completed, which could cause actual events or results to differ materially from the forward-looking information contained in this News Release. Although the forward looking information contained in this News Release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this News Release may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this News Release.

Except as required by applicable law, RioCan undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

#### **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.

#### **About RioCan**

RioCan is Canada's largest real estate investment trust with a total enterprise value of approximately \$13.9 billion as at June 30, 2017. RioCan owns and manages Canada's largest portfolio of retail focused and mixed-use transit-oriented properties with ownership interests in a portfolio of 299 Canadian properties, including 15 properties under development, containing an aggregate net leasable area of 45 million square feet. For the past 25 years, we have shaped the future, sensibly cultivated growth, and taken our stakeholders and partners wherever they needed to go. Currently, we have more than 6,350 retail tenants and approximately 660 employees with a presence from coast to coast. We deliver real vision, solid ground. For more information, visit [www.riocan.com](http://www.riocan.com).

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