

ALLIED

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES CLOSING OF PUBLIC EQUITY OFFERING

Toronto, June 22, 2018 -- Allied Properties Real Estate Investment Trust ("Allied") (TSX:AP.UN) announced today that it has closed its previously announced offering of 7,293,300 units (inclusive of 951,300 units issued pursuant to the exercise in full of the underwriters' over-allotment option) at a price of \$41.00 per unit for gross proceeds of \$299,025,300. The units were qualified by a prospectus supplement dated June 15, 2018 to a short form base shelf prospectus dated December 15, 2016 and were underwritten by a syndicate of underwriters led by Scotiabank, RBC Capital Markets and Goldman Sachs Canada Inc.

Allied intends to use the net proceeds of the offering to retire existing debt obligations. Approximately \$132 million of the net proceeds will be used to prepay (including a one-time, yield-maintenance cost of approximately \$7.7 million) the first mortgage on 151 Front Street West in Toronto, which bears interest at 6.54% and is scheduled to expire on November 1, 2019. The remainder of the net proceeds will be used to repay the full amount drawn on Allied's operating and acquisition line of credit, which Allied used to fund acquisitions, mortgage repayments, revenue-enhancing capital expenditures and development costs thus far in 2018.

The units have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the units in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful.

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.

Cautionary Statements

This press release may contain forward-looking statements with respect to (i) Allied, (ii) its operations, strategy, financial performance and condition, (iii) its capital investments in 2018 and beyond and (iv)

its intended use of proceeds of the offering. 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.

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