



ALLIED

**ALLIED PROPERTIES REIT ANNOUNCES
ACQUISITION IN TORONTO'S DOWNTOWN WEST**

Toronto, August 4, 2015 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to acquire the retail and office component of 560 King Street West in Toronto for \$28 million. The purchase is expected to close on August 19, 2015, subject to customary conditions.

"This property will extend a near uninterrupted stretch of property we own on the north side of King Street West from 460 to 560," said Michael Emory, Allied's President & CEO. "As a result, it will enhance our ability to merchandise most of the storefront retail space along King West between Spadina Avenue and Portland Street."

Located on the north side of King West, just west of Brant Street, the property is comprised of a heritage component with 11,305 square feet of retail GLA at grade and 6,954 square feet of office GLA on two levels above grade, as well as a new component with 5,078 square feet of retail GLA at grade and 1,065 square feet of storage GLA. The heritage structure has been fully restored, and the new structure is well configured for retail use with high ceilings, optimal depth and south- and east-facing frontage.

The two components of the property comprise 24,402 square feet of GLA and are fully leased to office and retail tenants consistent in character and quality with Allied's tenant base.

560 King West also includes 171 underground commercial parking spaces that Allied acquired in June of 2014. Together, the property and the underground commercial parking spaces constitute the entire commercial component of 560 King West.

On closing, the property will be subject to first mortgage financing in the aggregate principal amount of \$12.5 million, having a term expiring in early 2025, bearing interest at 3.63% and payable in blended instalments of principal and interest based on a 25-year amortization. Allied will fund the cash component of the purchase price from its unsecured facility.

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.

Allied Properties REIT is a leading owner, manager and developer of urban office environments that enrich experience and enhance profitability for business tenants operating 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.

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