



ALLIED

**ALLIED PROPERTIES REIT ANNOUNCES
JOINT VENTURE WITH WESTBANK IN TORONTO'S DOWNTOWN WEST**

Toronto, August 4, 2015 -- Allied Properties REIT (TSX:AP.UN) announced today that it has established a joint-venture arrangement with Westbank (the "King & Spadina JV") to redevelop 489-539 King Street West in Toronto (the "Property"). Allied will retain full ownership of the existing buildings on 511-529 King West (the "Heritage Component") and sell to Westbank an undivided 50% interest in the remainder of the Property (the "Intensification Site") based on current appraised value.

The sale to Westbank will close once site-plan approval is obtained for the Intensification Site. In the interim, Allied will own and operate the Property as part of its rental portfolio, and Allied and Westbank will share the predevelopment costs on an equal basis. Allied will continue to own and operate the Heritage Component in its entirety once it is severed from the Intensification Site.

The King & Spadina JV intends to pursue a mixed-use project comprised of office, retail and residential uses, with the residential component being sold as a condominium. It has retained Bjarke Ingels Group (BIG) as the design architect for the project and intends to initiate the approval process expeditiously. Westbank will be the development manager for the project, and Allied will manage the office and retail components of the project on completion.

"This is another good example of our expanding opportunity set," said Michael Emory, Allied's President & CEO. "With a proven and compatible partner in Westbank, we'll be able to realize the value inherent in this site sooner and on a risk-appropriate basis. We'll also be able to ensure that the site makes an optimal contribution to King & Spadina, one of Toronto's most extraordinary downtown neighbourhoods."

"What is so exciting here is that Allied has over time assembled 620 feet of frontage on what is fast becoming one of the most interesting streets in Toronto," said Ian Gillespie of Westbank. "With this scale, we have a unique opportunity for world-class city building."

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 certain of 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.

Established in 1992, with over \$25 billion of projects completed or under development, Westbank is active across Canada and the United States with luxury residential, rental apartments, affordable housing, office, retail, and hotels. The main focus of the practice is large mixed-use projects with particular emphasis on architectural and design excellence and sustainability. We have over six million square feet of LEED Platinum projects under development. The goal of the firm is to create a body of work that is improving the communities we practice in while incorporating a high degree of artistry. westbankcorp.com

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