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ALLIED

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES
\$75 MILLION BOUGHT-DEAL**

Toronto, January 8, 2015 -- Allied Properties REIT ("Allied") (TSX:AP.UN) announced today that it has entered into an agreement with a syndicate of underwriters led by Scotia Capital Inc. to issue to the public, on a bought-deal basis, 1,925,000 units from treasury at a price of \$39.00 per unit for gross proceeds of approximately \$75 million. Allied has granted the underwriters an option to purchase up to an additional 288,750 units on the same terms and conditions, exercisable at any time, in whole or in part, for a period of 30 days following the closing of the offering. The issue will be offered in all provinces of Canada. The units being offered have not been, and will not be, registered under the U.S. Securities Act of 1933 and state securities laws. Closing of the offering is expected to occur on or about February 2, 2015, and is subject to regulatory approvals.

Allied intends to use the net proceeds of the offering to fund the acquisition of an undivided 50% interest in 19 Duncan Street in Toronto (the "Property"), to provide acquisition financing to the joint venture formed by Allied and Westbank Corp. to redevelop the Property (the "Duncan & Adelaide JV") and for general trust purposes. The transactions with respect to the Duncan & Adelaide JV are scheduled to close on February 14, 2015.

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.

-30-

FOR FURTHER INFORMATION, PLEASE CONTACT:

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