



ALLIED

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

Toronto, February 2, 2015 -- Allied Properties REIT (TSX:AP.UN) announced today that it has closed its previously announced offering of 2,213,750 units from treasury (inclusive of 288,750 units issued pursuant to the exercise in full of the underwriters' over-allotment option) at a price of \$39.00 per unit for gross proceeds of just over \$86 million. The units were qualified by a prospectus supplement dated January 12, 2015 to a short form base shelf prospectus dated November 28, 2014, and were underwritten by a syndicate of underwriters led by Scotiabank and including RBC Capital Markets, CIBC, TD Securities Inc., BMO Capital Markets, Desjardins Securities Inc., National Bank Financial Inc., Canaccord Genuity Corp., Dundee Securities Ltd., and Raymond James Ltd.

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 10, 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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Michael R. Emory
President and Chief Executive Officer
(416) 977-0643
memory@alliedreit.com

Cecilia C. Williams
Vice President and Chief Financial Officer
(416) 977-1063
cwilliams@alliedreit.com