ALLIED

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES FOURTH-QUARTER AND YEAR-END RESULTS WITH CONTINUING BROAD-BASED MOMENTUM

TORONTO, MARCH 3, 2015

Allied Properties REIT (TSX:AP.UN) today announced results for its fourth quarter and year ended December 31, 2014. "We set the bar high in 2014, both in absolute terms and in relation to what we anticipated would be a challenging environment for Canadian REITs," said Michael Emory, President and CEO. "We achieved all-time high financial performance measures, which enabled us to increase our distribution for the eighth time since our IPO while simultaneously maintaining our ongoing commitment to reduce pay-out ratios."

The results for the fourth quarter are summarized below and compared to the same quarter in 2013:

(In thousands except for per unit and % amounts)	Q4 2014	Q4 2013	CHANGE	% CHANGE
Net income	34,901	31,169	3,732	12.0%
Same-asset net operating income ("NOI")	47,909	45,054	2,855	6.3%
Funds from operations ("FFO")	40,274	34,796	5,478	15.7%
FFO per unit (diluted)	$0.54	$0.51	$0.03	5.9%
FFO pay-out ratio	66.3%	67.7%	(1.4%)	
Adjusted FFO ("AFFO")	34,286	29,506	4,780	16.2%
AFFO per unit (diluted)	$0.46	$0.43	$0.03	7.0%
AFFO pay-out ratio	77.9%	79.8%	(1.9%)	
Total debt as a % of fair value of investment properties	35.3%	35.7%	(0.4%)	
Net debt as a multiple of annualized Q4 EBITDA	6.4:1	6.3:1	0.1:1	
Operating interest-coverage ratio	3.8:1	4.1:1	(0.3:1)	
Total interest-coverage ratio	3.0:1	3.0:1	0.0:1	

Allied's FFO per unit (diluted) in the fourth quarter was inflated slightly by the fact that Allied complied with a recent change to the standardized definition of FFO by excluding direct leasing expenditures for the entire year in the quarter. When normalized, Allied's FFO per unit (diluted) for the quarter was $0.52, up 2% from the comparable quarter last year. This increase was the result of portfolio-wide rental growth, accretion from recent acquisitions and increasing NOI as a result of recent and ongoing value-creation activity.

The results for 2014 are summarized below and compared to 2013:

(In thousands except for per unit and % amounts)	2014	2013	CHANGE	% CHANGE
Net income	132,682	118,234	14,448	12.2%
Same-asset net operating income ("NOI")	173,986	161,518	12,468	7.7%
Funds from operations ("FFO")	148,786	131,679	17,107	13.0%
FFO per unit (diluted)	$2.10	$1.94	$0.16	8.2%
FFO pay-out ratio	67.6%	70.0%	(2.4%)	
Adjusted FFO ("AFFO")	130,197	112,135	18,062	16.1%
AFFO per unit (diluted)	$1.83	$1.66	$0.17	10.2%
AFFO pay-out ratio	77.3%	82.2%	(4.9%)	
Total debt as a % of fair value of investment properties	35.3%	35.7%	(0.4%)	
Net debt as a multiple of annualized Q4 EBITDA	6.4:1	6.3:1	0.1:1	
Operating interest-coverage ratio	3.8:1	4.0:1	(0.2:1)	
Total interest-coverage ratio	3.0:1	3.0:1	0.0:1	

Allied's financial performance measures for 2014 were up from 2013. This was a result of portfolio-wide rental growth, accretion from recent acquisitions and increased NOI as a result of recent and ongoing value-creation activity.

Allied's operating performance measures were also strong. Having leased over 940,000 square feet of space in 2014, Allied finished the year with its rental portfolio 92% leased. Allied renewed or replaced leases for 77.1% of the GLA that matured in in 2014. This resulted in an overall increase of 7.1% in net rental income per square foot from the affected space.

Allied's acquisition activity in 2014 exceeded forecast. Allied invested $211 million in seven properties with 568,000 square feet of GLA and 553 parking spaces that now form part of its rental portfolio. It invested another $23 million in 460 and 485 King Street West in Toronto, two properties located very strategically in relation to existing concentrations of property owned by Allied in the King & Spadina node. These properties now form part of Allied's development portfolio and will be redeveloped over the course of 2015. Allied also announced in late 2014 the acquisition of an undivided 50% interest in 19 Duncan Street in Toronto as part of a redevelopment joint-venture with Westbank. This acquisition closed last month, along with an equity offering made, in part, to finance the equity component of the acquisition.

Leasing in Allied's development portfolio remained strong. The lease-up of its facility (the "New Facility") at 250 Front Street West in Toronto gained steady momentum in 2014, which has continued unabated into 2015. Whereas Allied's property at 151 Front Street West in Toronto has long been Canada's premiere carrier-neutral internet hub, the New Facility is rapidly becoming Canada's premiere third-party cloud facility for leading global technology companies. 82,000 square feet of GLA in the New Facility is now leased with staggered commencement dates over this year and next. This represents 47% of the total GLA of 173,500 square feet (which is up slightly from the initial 168,000 square feet). Allied is currently negotiating seven new leases. If completed, they will increase the leased area by 91,500 square feet of GLA with staggered commencement dates over this year and next. This would bring the leased area to 100% of the total GLA. In light of the quantity and quality of demand for space, Management is evaluating the possibility of expanding the Facility through exercise of Allied's ongoing right of first refusal to lease space at 250 Front.

Allied's balance sheet continued to grow and strengthen in 2014. At year end, the fair value of its assets was $3.9 billion, up 13.1% over the course of the year through a combination of acquisitions ($234 million) and value appreciation ($223 million), offset somewhat by dispositions ($11 million). Allied's total debt was 35.3% of fair value and comprised entirely of first mortgages with a weighted average term of 6.2 years and a weighted average interest rate of 4.8%. Its immediate liquidity was $75 million, and it had approximately $900 million in unencumbered properties, affording it very considerable near-term liquidity.

FFO, AFFO and EBITDA, total debt and net debt are not financial measures defined by International Financial Reporting Standards ("IFRS"). Please see Allied's MD&A for a description of these measures and their reconciliation to financial measures defined by IFRS, as presented in Allied's consolidated financial statements for the year ended December 31, 2014. These statements, together with accompanying notes and MD&A, have been filed with SEDAR, www.sedar.com, and are also available on Allied's web-site, www.alliedreit.com.

NOI is not a measure recognized under IFRS and does not have any standardized meaning prescribed by IFRS. NOI is presented in this press release because management of Allied believes that this non-IFRS measure is an important financial performance indicator. NOI, as computed by Allied, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to NOI reported by such organizations.

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. Allied's actual results and performance 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. 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 the Allied's Annual Information Form which is available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and Allied has 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 & Chief Executive Officer

416.977.9002 | memory@alliedreit.com

CECILIA C. WILLIAMS
Vice President and Chief Financial Officer

416.977.9002 | cwilliams@alliedreit.com