



ALLIED

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
PROVIDES LEASING UPDATE FOR TORONTO DEVELOPMENT PROPERTIES**

Toronto, March 20, 2015 -- Allied Properties REIT (TSX:AP.UN) today provided a leasing update for three of its Toronto development properties--250 Front Street West, QRC West, Phase I, and 460 King Street West. "We're now at the point where our development pipeline is built and primed," said Michael Emory, President and CEO of Allied. "250 Front, QRC West and 460 King will begin making a contribution to our rental revenue in the second half of this year. Two other development properties are scheduled to begin making a contribution next year, with a third doing so late in 2017."

250 Front Street West

This development property ("250 Front") is comprised of 173,500 square feet of gross leasable area ("GLA") at the Canadian Broadcast Centre that Allied occupies under a long-term lease from the CBC. It has significant floor-loading and freight-elevator capacity, over 14 foot clear ceiling height, access to Enwave deep-water cooling, a dedicated electrical service of 9 MVA with two 11 MVA dedicated feeders and fibre-optic access to Allied's property at 151 Front Street West.

Allied has finalized three new leases at 250 Front totalling 68,000 square feet of GLA, bringing the total leased area to 150,000 square feet (86% of the total area) with staggered commencement dates over this year and next. Allied is currently negotiating four additional leases. If completed, they will increase the leased area at 250 Front by 23,500 square feet of GLA, bringing the leased area to 100% of the total area. In light of the quantity and quality of demand for space, Allied is evaluating the possibility of expanding its premises at 250 Front through exercise of its ongoing right of first refusal to lease space at the Canadian Broadcast Centre.

Subject to completion of required base-building work in certain instances, the commencement dates for the area currently leased at 250 Front are as follows:

| Commencement Date | GLA | % of Total GLA |
|--------------------------|----------------|-----------------------|
| Late 2014 | 14,000 | 8% |
| June 1, 2015 | 2,000 | 1% |
| August 1, 2015 | 20,000 | 12% |
| September 1, 2015 | 30,000 | 17% |
| October 1, 2015 | 4,000 | 2% |
| January 1, 2016 | 20,000 | 12% |
| August 1, 2016 | 40,000 | 22% |
| December 1, 2016 | 20,000 | 12% |
| Total | 150,000 | 86% |

QRC West, Phase I

This development property ("QRC West") has been created by integrating two restored Class I buildings (134 Peter Street and 364 Richmond Street West) with a new, LEED-certified building for a combined GLA of approximately 350,000 square feet. At the end of 2014, the new building was approximately 80% leased.

Having initially leased 15,000 square feet of GLA on the 14th floor, Givex has now expanded its requirement to include the entire 14th floor (approximately 24,000 square feet of GLA). Sweeny & Co Architects has agreed to relocate from the 14th to the 16th floor and to expand its requirement from 8,600 square feet to approximately 12,000 square feet of GLA. Allied will occupy the 17th floor (approximately 24,000 square feet of GLA) for use as its head office and as a marketing centre for its ongoing development projects. This brings the leased area in the new building to 93%.

With the new building substantially leased, Allied has initiated the lease-up of the office and retail space in the restored Class I buildings. Allied does not expect to finalize the lease-up of the retail space until prospective tenants can view the space in relation to the extraordinary lobby area of QRC West. Allied believes this will enable it to secure the most suitable retail tenants on optimal financial terms.

460 King Street West

This development property ("460 King") is located on the northwest corner of King and Spadina and is comprised of 19,900 square feet of GLA and 4,220 square feet of surplus land. Allied has now leased approximately 3,000 square feet of space to The Well Joint Venture for use as a marketing centre with a commencement date in June, 2015. It has leased the balance of the space (approximately 16,900 square feet of GLA) to Konrad Group with a commencement date in October, 2015. In conjunction with the completion of restoration and lease-up of 460 King, Allied intends to advance the rezoning of 78 Spadina Avenue, its surface parking lot immediately to the north.

Cautionary Statements

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, including that the transactions 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, construction delays, 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.

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