



ALLIED

**ALLIED PROPERTIES REIT ANNOUNCES ACQUISITION OF
STRATEGIC INTENSIFICATION PROPERTY IN TORONTO'S DOWNTOWN WEST**

Toronto, April 30, 2015 -- Allied Properties REIT (TSX:AP.UN) announced today that it has entered into an agreement to purchase 511-539 King Street West in Toronto for \$100 million. "This is an extraordinarily strategic opportunity for us," said Michael Emory, President and CEO. "The property is immediately west of a lengthy stretch of property we own from 469 through to 499 King Street West. More importantly, it is immediately west of our intensification project at 489-499 King West, which was enhanced by the acquisition of 485 King West late last year."

The Property

Located on the south side of King West and running west from the foot of Brant Street, the property is comprised of three fully restored Class I buildings with 62,469 square feet of GLA and 33,164 square feet of surplus land that is currently used as a surface parking lot for 107 vehicles. The site is rectangular in shape with 63,511 square feet of area and 301 feet of frontage on King West.

Allied's 469-499 King West runs east from the foot of Brant Street and includes frontage of 321 feet. With the property, Allied will own 622 feet of uninterrupted frontage on the south side of King West between 469 and 539. 469 King West is immediately north of Allied's 420 Wellington Street West, with the result that Allied owns a significant mid-block connection between King West and Wellington West that will be part of the 3.5-acre land mass formed by the property and Allied's adjacent properties.

Allied's King & Spadina intensification project is adjacent to the property. This project has received municipal approval for the construction of 300,000 square feet of new office and retail space with three levels of underground parking. Allied expects to bolster the approved density as a result of its acquisition and pending redevelopment of 485 King West.

Closing and Financing

The purchase is expected to close on June 30, 2015, subject to customary conditions. The property will be free and clear of mortgage financing on closing. Allied will finance the acquisition by drawing on its unsecured credit facility, which currently has \$200 million of availability, assuming exercise of the accordion feature. Allied will (i) operate the property as a rental property in the near term (ii) include the property

in its growing pool of unencumbered assets and (iii) work immediately toward obtaining municipal approval for a mixed-use intensification of the property that includes the preservation and continued operation of 511 King West and 519-525 King West. Allied intends to intensify the property in collaboration with Westbank. The vendor of the property was represented exclusively by Brookfield Financial Real Estate Group Limited.

Cautionary Statements

This press release may contain forward-looking statements with respect to Allied, its operations, strategy, financial performance and condition, including statements regarding the proposed acquisition, Allied's ability to obtain municipal approval for mixed-use intensification of the property and potential joint-venture partners. 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.

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