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ALLIED

**ALLIED PROPERTIES REIT ANNOUNCES \$150 MILLION OFFERING OF 3.748%
SERIES A SENIOR UNSECURED DEBENTURES**

Toronto, May 8, 2015 -- Allied Properties REIT (TSX:AP.UN) ("**Allied**") announced today that it has agreed to issue, on an agency basis, \$150 million aggregate principal amount of series A senior unsecured debentures (the "**Debentures**"). The Debentures will bear interest at a rate of 3.748% per annum and will mature on May 13, 2020. The Debentures are being offered on an agency basis by a syndicate of agents co-led by Scotia Capital Inc. and BMO Nesbitt Burns Inc. The offering is expected to close on or about May 13, 2015. DBRS Limited has provided Allied with a provisional credit rating of "BBB" (low) with a "Stable" trend relating to the Debentures.

Allied intends to use the net proceeds from this offering: (a) to fund the acquisition of 511-539 King Street West, Toronto; (b) to repay amounts drawn on the Allied's unsecured credit facility used for general capital funding related to Allied's capital improvements, acquisitions and intensification projects; and (c) the balance for general working capital purposes.

The offering is being made pursuant to Allied's base shelf prospectus dated November 28, 2014. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators.

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.

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