



ALLIED

**ALLIED PROPERTIES REIT ANNOUNCES NORMAL COURSE ISSUER BID AND
AMENDMENT TO ITS DISTRIBUTION REINVESTMENT PLAN**

Toronto, December 17, 2015 - Allied Properties REIT (TSX:AP.UN) ("**Allied**") announced today that it has received approval from the Toronto Stock Exchange ("TSX") for a normal course issuer bid ("NCIB") which will enable it to purchase up to 7,685,791 of its 78,430,153 issued and outstanding units ("Units") as at December 15, 2015, representing approximately 10% of its public float of 76,857,913 Units as at that date. Allied also announced an amendment to its distribution reinvestment plan ("DRIP").

Establishment of Normal Course Issuer Bid

Allied intends to commence the NCIB on December 22, 2015. The NCIB will expire on December 21, 2016 or such earlier date as Allied completes its purchases pursuant to the NCIB. All purchases under the NCIB will be made on the open market through the facilities of the TSX or alternate trading systems in Canada at market prices prevailing at the time of purchase. In accordance with TSX rules, any daily repurchases will be limited to a maximum of 44,757 Units, representing 25% of the average daily trading volume of the Units on the TSX for the six months ended November 30, 2015 (being 179,028 Units). Any Units that are repurchased will either be cancelled or delivered to participants under Allied's restricted unit plan.

The Trustees of Allied believe that the ongoing purchase by Allied of certain of its Units will (i) afford additional liquidity for the issued and outstanding Units and (ii) enable Allied to neutralize or minimize the dilutive impact of issuing units under the DRIP. To the extent the repurchased Units are cancelled, it will also benefit all remaining Unitholders by increasing their proportionate equity and voting interests in Allied.

From time to time, when Allied does not possess material non-public information about itself or its securities, it may enter into a pre-defined plan with its broker to allow for the repurchase of Units at times when Allied ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise. Any such plans entered into with Allied's broker will be adopted in accordance with applicable Canadian securities laws.

Amendment to Distribution Reinvestment Plan

Allied's DRIP offers Canadian Unitholders a convenient and economical opportunity to automatically reinvest monthly distributions in additional Units without the payment of any commissions, service charges or brokerage fees.

Allied also announced that the discount at which Units are issued pursuant to Allied's DRIP will be decreased from 3% to 0%, to take effect with the December 2015 distribution, payable on January 15, 2016 to Unitholders of record as of December 31, 2015.

Allied's DRIP offers Canadian Unitholders a convenient and economical opportunity to automatically reinvest monthly distributions in additional Units without the payment of any commissions, service charges or brokerage fees. Additional information regarding the DRIP is available at www.alliedreit.com.

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. 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:

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